The Crisis of Britain and the British Empire

THE CRISIS OF BRITAIN
AND
THE BRITISH EMPIRE

by

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PREFACE TO INDIAN EDITION

THE enterprise of the People's Publishing House has made possible the appearance of an Indian edition of *The Crisis of Britain and the British Empire*, at the same time as the original English edition.

This book may be regarded as in a certain sense a continuation and enlargement of *India Today*. Its theme is a study of the present profound crisis of the imperialist system, as demonstrated in British imperialism; the economic and political consequences for all the peoples — both inside Britain and outside Britain — still held within the weakening, but not yet broken grip of British imperialist domination; the gigantic advance of the national liberation movement and the inspiring examples of the Soviet Union and the Chinese Peoples' revolution; the now extending penetration and offensive of American imperialism and its aggressive policies; and the perspective for all supporters of national and social liberation.

A special chapter is devoted to the new tactics of imperialism in India since 1947.

The burdens of imperialist domination and exploitation affect the Indian people and the British people in different ways; and their problems are not identical. Nevertheless the common interests of both peoples coincide in the joint battle against imperialism as the indispensable condition of the solution of their problems.

Special attention is devoted in this book to the deepening crisis of the internal economic and political situation in Britain as a result of the crisis of the imperialist system; the ever more visible bankruptcy of the policies of Tory and Labour imperialism; and the consequent urgent necessity for the British people to awaken to their common interests with all the peoples of the colonial and semi-colonial countries in order to advance with them in a united struggle for a common victory over a common enemy.

It is to be hoped that this wider study of the modern developments of imperialism and the popular struggle may prove helpful to the mighty advancing democratic anti-imperialist movement in India, and may serve to promote the co-operation and friendship of the Indian and British peoples in the common struggle against imperialism to end completely the old relations of oppression and exploitation and to build new relations based on national independence and mutual assistance in the tasks of reconstruction.

R. PALME DUTT

April, 1953.

PREFACE

THIS is a book about Britain's present problems. It is also about the British Empire. There is a reason why the two are treated here in combination in one book—although, to the best of the writer's knowledge, no book about the two together has so far been written by any other author.

There have been plenty of books about post-war Britain, Britain's economic problems, Britain's new legislative or administrative achievements, Britain's Second Elizabethan Age, Britain's political prospects, or the solution for Britain's ills.

There have been plenty of books about the modern developments of the British Empire or Commonwealth or Commonwealth and Empire, the decline of the Empire, the rebirth of the Empire, Empire trade, Empire economic problems, the development of underdeveloped territories, the colonial peoples' political prospects, or the relations of the Empire and Europe and America and the "Atlantic Community."

But there has been no book (apart from an earlier very short study by the present author) about the crisis of Britain *and* the British Empire—taken as a unity. Yet it is precisely this unity (a unity characteristically full of contradictions and conflicts) that is the secret of the understanding of Britain's crisis to-day.

The present book is based in part on an earlier short study entitled *Britain's Crisis of Empire*, which was originally published in 1949, passed through several editions, and has been translated and published in over a dozen countries and languages abroad.

The purpose of *Britain's Crisis of Empire* was to examine Britain's crisis against the background of the Empire. At the time when it was published, the prevailing fashion was still to ascribe Britain's difficulties to temporary short-term causes arising from the second world war and post-war disturbances of international equilibrium, and to seek the solution in the various short-term expedients which were being adopted. The argument of *Britain's Crisis of Empire* sought to show that the roots of the crisis lay deeper than was commonly recognised in the then current statements of most politicians and economists. These roots, it was argued, lay in the decline and break-up of Britain's former world monopoly, and in the still continuing, though weakened, empire basis of the traditional economic, social and political structure of Britain and the countries of Western Europe. The conclusion was drawn that the measures adopted by successive Governments to

meet the crisis were not only incapable of solving it, but, through causing heavy and increasing economic and military strain, could only lead to further deterioration.

At the time, in 1949, when this earlier study was published, widespread illusions of "recovery" and "successful solution of the crisis" were still prevalent on the basis of the temporary artificial surplus in the balance of payments during 1949 and 1950. *Britain's Crisis of Empire* received only a limited response in Britain, though it won more attention outside Britain. It was accorded a complete, almost audible, silence in the general Press.

However, the method of the ostrich only harms the ostrich: 1951, with the recurrence of the crisis in a sharper form, brought swift disillusion. The subsequent efforts of the Conservative Government have certainly made drastic inroads into the standards of the people and into Britain's productive capacity, in the desperate effort to apply short-term remedies to improve the balance of payments. But they have been unable, from the nature of the interests they represent, to tackle the real problems; and they have continued and even intensified the basic imperialist policies which have served and can only continue to serve to accentuate the crisis. Hence the outcome of their programme may be expected to lead (whatever the temporary "achievements" in diminishing the deficit on the balance of payments) to a further deterioration in Britain's basic economic position.

To-day there is undoubtedly a change in the atmosphere of discussion. There is widespread recognition of the deeper character of the crisis, even though there is still lack of agreement on its definition. To-day, accordingly, it may be hoped that conditions may prove more favourable for the serious consideration of a contribution which endeavours to present a reasoned diagnosis and a constructive policy for the problems of present-day Britain.

All the events since 1949, it may be claimed, have considerably reinforced the thesis of *Britain's Crisis of Empire* and afforded a wealth of new experience. Britain's position has grown more serious; the dangers are greater; the bankruptcy of the old policies is increasingly evident. The present fuller survey seeks to take into account the new developments, and to suggest in greater detail the lines of a positive and constructive solution.

Certain key sections have been incorporated in revised form from the earlier book; but the bulk of the material is new.

The treatment and analysis of events and developments has been carried up to the summer of 1952, when this book went to press.[1] Many important changes and new developments between

1 It has been possible to bring some of the statistical figures more up to date in the light of fuller returns and materials which became available, with regard to 1951 and the first half of 1952, while the book was in the press.

July, 1952, and the date of publication of this book may be expected; and some of these may give reason to modify or revise particular judgments. The reader should therefore bear in mind that he is reading a survey of Britain, the Empire and the world scene as visible to an observer in July, 1952. Nevertheless, the possibly presumptuous expectation may be expressed that, whatever the character of the new developments, sharp turns and major events which may profoundly affect the situation between the summer of 1952 and the summer of 1953, these are more likely to reinforce than otherwise the general thesis of this book with regard to the character of the crisis of Britain and the Empire, and the conditions for its solution.

I have called the present book *The Crisis of Britain and the British Empire* (despite the uncomfortable length of such a title, and the justifiable objections to the use of the general and often loosely defined term "crisis"), for a deliberate reason. This reason is to make clear that the book is about Britain and not merely about the British Empire. Experience showed that the previous book was widely regarded as a book about the Empire and the colonial question; and it is well known that no subject is better guaranteed to make an average audience in Britain reach for their hats, a parliamentary chamber empty or a shy book-buying public turn to another shelf. It is therefore essential to explain to readers in Britain, whom this book is above all intended to reach, that its subject is concerned with life and death questions of the future of Britain, of the British people, of British economics and politics, of the British labour movement and the British path to socialism—all of which are inseparably bound up with the question of the Empire and the problems of the peoples of the Empire. Its purpose is to show the path of comradeship of the British people and the peoples of the countries in the present Empire to unite in ending a system of relations which injures both, and to advance to a new basis for the solution of their problems.

Finally, I should like to express gratitude to the many friends and helpers who have assisted to collect and check some of the material for different sections of this book, and to ask their forgiveness for this collective and anonymous acknowledgment, since some of their names could not be given, and selection would be invidious.

R. PALME DUTT

July, 1952

A NOTE ON "EMPIRE" AND "COMMONWEALTH"

IN THIS book the British Empire is referred to as the British Empire.

During the past quarter of a century the practice has become increasingly prevalent in many quarters, official, semi-official and unofficial, to replace the term "British Empire" by the term "British Commonwealth of Nations" or "Commonwealth of Nations."

The newer formula is sometimes supposed to rest on a distinction between the "Commonwealth" of Britain with the Dominions and the "Empire" proper of the dependent colonial empire. On this basis the attempt is even made to offer the hybrid "Commonwealth and Empire."

Such a distinction, however, has no formal, legal or constitutional basis. In all legislation referring to the "Commonwealth" the reference includes both the Dominions and the subject colonies or protectorates.

Since the older term "Empire," in which Disraeli, Chamberlain and Kipling took pride, became suspect to democratic opinion, a euphemism was sought by the more mealy-mouthed apologists of imperialism.

As the leading authority on Imperial Constitutional Law, Professor W. I. Jennings, joint author of *The Constitutional Laws of the British Empire*, had occasion to explain in a letter to *The Times* on June 6, 1949:

> " 'Empire' was associated with 'imperialism' which was the deadliest of the political sins. The use of 'Commonwealth' made political conditions slightly less difficult."

There is no distinction in fact between the "British Empire" and the "British Commonwealth of Nations" or "Commonwealth of Nations."

The latest authoritative pronouncement on this matter was made in 1949 by the then Prime Minister, Mr. Attlee, with reference to the London Declaration of the Dominion Premiers' Conference (speaking in the House of Commons on May 2, 1949):

> "Terminology, if it is to be useful, keeps step with developments without becoming rigid or doctrinaire. All constitutional developments in the Commonwealth, the British Commonwealth, or the British Empire—I use the three terms deliberately—have been the subject of consultation between

> His Majesty's Governments, and there has been no agreement to adopt or to exclude the use of any one of these terms, nor any decision on the part of His Majesty's Government in the United Kingdom to do so. . . . Opinions differ in different parts of the British Empire and Commonwealth on this matter, and I think it better to allow people to use the expression they like best."

Mr. Churchill, speaking at Ottawa in January, 1952, made his preference plain. "I do not know," he said, "if I may mention a word I have used all my life, and for which I do not ask pardon," and he went on to refer to "what was once called the Empire." Commenting on this in an editorial on "Dominion and Empire" on January 15, 1952, *The Times* made a revealing historical survey of the "state of flux" in the various pseudonyms attempted, and in conclusion adduced cogent arguments for reverting to the historic "Empire":

> "The heterogeneous British Empire came for a time to be divided into three categories, the Mother Country, the Dominions and the Colonies. . . .
>
> "For a time the classification of the King's dominions into the Commonwealth and the Empire, according to whether they governed themselves or were ultimately controlled from Whitehall, was accurate and useful. But the sense of words is always in a state of flux, and in recent years the extension of the word Commonwealth to cover both kinds of state has blurred the edges of meaning. . . .
>
> "It would be more than a pity if the name of Empire were to be driven out."

With this weighty combined support of Mr. Attlee, Mr. Churchill and *The Times*, it is hoped that the usage adopted in the present book may not be judged arbitrary or without warrant.

For the purposes of the present book the British Empire is described as what it is—the British Empire.

CHAPTER 1

BRITAIN'S CRISIS OF EMPIRE

"That England that was wont to conquer others
Hath made a shameful conquest of itself."
SHAKESPEARE.

NOT so many years ago every schoolboy used to be taught Kipling's poem of "Big Steamers." To the question "Oh, where are you going to, all you Big Steamers?" the answer came:

"'We are going to fetch you your bread and your butter,
Your beef, pork and mutton, eggs, apples and cheese....
We fetch it from Melbourne, Quebec and Vancouver—
Address us at Hobart, Hong Kong and Bombay.'"

To the grateful schoolboy's further query what he could do in return, the answer taught the lesson of sea power and empire as the basis of Britain's existence:

"'Then what can I do for you, all you Big Steamers,
Oh, what can I do for your comfort and good?'
'Send out your big warships to watch your big waters,
That no one may stop us from bringing you food.'"

All this echoes a past era. Britain's warships no longer rule the seas. Sea power has passed to the American navy. And the "beef, pork and mutton, eggs, apples and cheese" are in distinctly short supply.

Every inhabitant of Britain is to-day uncomfortably aware that times have changed, that Britain's position in the world is no longer what it was, that the former world monopoly has vanished and the day of empire domination is passing, and that new problems are arising for the existence of the people of these islands.

Nevertheless, the problems of Britain's economic, social and political future are still most commonly discussed in isolation from the Empire. This is about as intelligent as to discuss Othello without the Moor.

Colonial questions, questions of the Empire, are regarded as the separate preserve of a handful of specialists—officials, explorers, missionaries, jingo enthusiasts, reformers and anti-imperialists—preoccupied with remote territories and peoples, of limited practical

concern to the harsh problems of daily life in Britain. Nor is this remoteness surprising. The impact of empire policies makes itself felt in consequences of burning directness: in the cost of living, taxation, the prices of raw materials, rearmament, colonial wars and the menace of a new world war. But the empire relations and policies which give rise to these consequences are less directly seen. Despite all the assiduous official indoctrination, the cult of empire has never achieved a genuine popular basis. A recent public opinion survey by the Colonial Office in 1949 revealed:

> "Cross-questioning of a representative section of the population showed that over half were unable to recall one single colony by name, that three quarters did not know the difference between colonial and dominion status, and that 3 per cent. thought America was still a colony. Almost the only aspect of colonial development arousing any interest was the groundnut scheme, of which 67 per cent. knew something."
>
> (*Times*, June 22, 1949.)

This does not mean that the ruling class propaganda of empire in general has no effect. On the contrary, the assumption of empire, the assumption of Britain's position at the centre of the world's largest empire as almost part of the natural order of things, still deeply colours popular consciousness. "The sentiment of empire," the Liberal Gladstone once wrote, "is innate in every Briton. It is part of our patrimony, born with our birth and dying only with our death." After all the flag-waving and Beaverbrook crusades have only produced weariness and scepticism, and after all the school-book lessons of "Empire-builders" and "Deeds that Won the Empire" have been forgotten, there remains the vague general half-unconscious picture of Britain's manifest destiny to rule over other peoples, of "the empire on which the sun never sets," of Britain's natural right to send military expeditions to Malaya or Hong Kong, Cyprus or Iraq, of Britain's "civilising mission" to bring law and order, police, roads and railways and the suitably controlled march towards self-government to backward peoples, of the innate superiority of British institutions and British social and economic standards. The Empire remains the permanent unspoken assumption of British politics. But this assumption is commonly divorced from any close realisation of the new problems that have arisen.

It would be vain to search through the debates of the House of Commons in recent years for any major general debate on the problems of the British Empire as a whole or the impact of these problems on Britain's position in the world and Britain's future. Just as in the old days the annual India debate used to be guaranteed to empty the House, so to-day a Colonial Affairs debate can normally count on a sparse attendance and the participation of

specialists—unless some momentary burning controversy like the groundnuts fiasco or Persian oil raises the temperature.

This superficial appearance of indifference to the Empire (like the old legend of the acquisition of the Empire "in a fit of absence of mind") does not by any means signify that the questions of empire are remote from the attention of the Government or of the British ruling class. On the contrary. Very much on the contrary. The questions of empire; the maintenance and protection of the vast overseas interests and spheres of domination of British finance-capital; the complex manoeuvres and myriad political forms in ceaselessly changing conditions to counter the challenging tide of insurgent national sentiment; the precarious balance of relations, economic, political and strategic with the stronger advancing American imperialism; the deep-set hostility to the new triumphant world of socialist and anti-imperialist popular advance extending over one third of humanity; the conflict between the strategic requirements of super-rearmament for the maintenance of these interests and the limitations arising from inner economic decay—all these constitute the inner essence of modern British ruling class politics on the world arena, and the guiding red thread which alone gives consistency and singleness of purpose to the various shifts and turns of Government policy, whether of Conservative Governments or Labour Governments.

This common foundation of imperialist interests is also the basis of the essential unity of official policy of the two ruling parties and their leadership, whether Conservative and Liberal in the first quarter of the twentieth century or Conservative and Right Wing Labour in the second quarter. Whatever the noisy proclamations of division on the hustings or in the debating chamber, this essential identity is repeatedly revealed on all major imperial and strategic issues. It was revealed over the *Entente* policy in the pre-1914 era, in the midst of the most clamorous Conservative-Liberal domestic controversies and mutual revilings. It has been revealed in more recent years over the American Alliance, Marshall Plan, Mountbatten settlement in India, Atlantic Pact and Rearmament Programme. During the six years of the Attlee Labour Government from 1945 to 1951 support and approval of the general principles of its foreign and colonial policy was repeatedly expressed by the Conservative Opposition. With the shift to a Conservative Government at the end of 1951, continuity of foreign and colonial policy was immediately proclaimed and endorsed by the leadership on both sides.

But this red thread of imperialism, of basic imperialist interests and policy, which is the indispensable guide and key to an understanding of British economics and British politics, is never displayed in public. On the contrary, in deference to modern squeamishness and the spread of democratic anti-imperialist sentiments, an apo-

logetic and deprecatory tone has become *de rigueur* in current official utterance for all references to empire and imperialism. The old full-blooded advocacy of imperialism of a Joseph Chamberlain, a Curzon or a Milner is now frowned upon in official circles as in bad taste in the present period of critical tensions and delicate balances. Instead, the conventional diplomatic fiction is well on the way to becoming established, especially in the utterances of Labour and Liberal imperialists, but also of the more modern Conservative imperialists, that the traditional conceptions of empire and imperialism belong to the bad old past, and have long been washed away in the universal tide of enlightenment, mutual improvement, welfare and development, and general emancipation.

It is true that the same statesmen who give expression to these benevolent sentiments will usually in their next speech, and sometimes in the same speech, proclaim the glories of empire; insist on the indispensable economic importance of Britain's empire assets and interests as the foundation of the prosperity and standard of living of the British people; or groan over the herculean burden of world-wide military commitments which their far-flung empire obligations compel them to sustain. When these same statesmen have to grapple with the baffling enigma of Britain's balance of payments, they have no hesitation in using the convenient device of an increase in colonial sterling balances by hundreds of millions of pounds to improve their current accounts, or in basing their main calculations for a solution on plans for a prodigious increase in the "invisible" items income to be extracted from the imperialist monopolies' exploitation of colonial oil, rubber, tin and copper. When any threat may appear to these imperialist monopoly interests, they are quick to send troops and bombers to Malaya or warships to the Persian Gulf.

These contradictions, however, are never seen as contradictions. There is a tacit convention of a kind of double book-keeping of the Empire; and the two sides of the ledger are never brought into contact. On the one side, the sentiments of universal philanthropy and benevolence, of liberal enlightenment and the march to freedom "within the mystic circle of the Crown," and of development and welfare, substantiated by the few niggardly crumbs thrown out from the vast profits of the monopolies. On the other side, the concrete realities of the giant colonial trusts and combines, plantation-owners, and 100 per cent. profits; the mass poverty and exploitation, starvation wages, pestilential slums and peasant ruin; the colonial penal laws and repression; the concentration camps, terror and shooting, the troops, guns and bombing planes.

This double book-keeping of Empire is not in itself peculiar or extraordinary. It is characteristic of all capitalism, especially in the period of decay, when its foundations are threatened by popular revolt. But this double book-keeping is a very dangerous

obstacle to serious political understanding, at a time when the whole traditional system of the Empire is in crisis, and when a serious political understanding of present-day realities and of the consequences of this crisis is indispensable for the British people, if they are to solve their present problems.

The net effect of this simultaneous practical concentration of Britain's rulers on the economic, political and strategic aims of Empire, and public silence, denial or repudiation of such aims is to create extreme political confusion, disorientation and frustration. The people are uneasily aware that something is wrong. But they look in vain to their rulers or to the accredited spokesmen of the official dominant parties for enlightenment. The truth of Britain's position in the modern world is being concealed from the people.

All the present difficulties are ascribed to immediate, temporary, accidental causes, to be removed by a little extra effort and acceptance of sacrifices for a short period, until better times return. In the words of the Chancellor of the Exchequer, Sir Stafford Cripps, in September, 1949:

> "At the end of the war we all thought that things would be easier than they turned out to be.
>
> "We have been trying to deal with them by a series of temporary expedients, which have led to a series of crises as each expedient became exhausted."
>
> (SIR STAFFORD CRIPPS, Press Conference statement, September 19, 1949.)

The British people have become accustomed to live in conditions of chronic crisis. But no one explains what the crisis is about.

If the words of the song declare, "There will always be an England," the modern Englishman might be excused for interpreting those words as meaning "There will always be a crisis."

In the broadest sense the crisis has been endemic since the first world war. It manifested itself in the long depression, the loss of markets, the collapse of the pound and the advent of the second world war.

But since the second world war the crisis has taken on a peculiarly acute, switchback character. At first it was explained in terms of post-war scarcities and unsettlement. As the years rolled on without solution, this explanation passed out of the picture. Then it took the grim form of the Dollar Crisis and Balance of Payments Crisis. Marshall Aid was supposed to provide the solution. Then followed the Devaluation Crisis of 1949. By 1950 the Raw Materials Crisis, associated with the Korean War and re-armament stockpiling, sent prices soaring and rocked the terms of trade. And by 1951 the Balance of Payments Crisis had returned.

The British people have grown accustomed during these recent years to an increasing American intervention in their affairs. American Economic Advisers and Supervisers and Controllers and Special Missions, reporting to Washington. American subsidies. American bans and restrictions on their trade. American instructions and orders to their Cabinet. American Super-Generals of their Army and American Super-Admirals of their Navy. American military bases and American troops and American planes permanently stationed on their island.

The British people have grown accustomed to crushing and soaring armaments expenditure on a scale which would have given their grandfathers apoplexy and staggered even their fathers. They have grown accustomed to deepening shadows of war and grim prophecies of atomic war.

But why is all this happening? Where is it leading?

No answer is offered on this from either the Government or the official Opposition leaders, from the dominant great organs of the public Press or the broadcasting monopoly purveyors of public information. The ship goes down in darkness.

Labour Government Ministers sought to throw the blame on world factors outside their control, on the evil heritage of Tory rule in the nineteen-thirties, on unofficial strikes, on Russia, on Communism.

Conservative Ministers seek to throw the blame on the evil heritage of Labour Ministers' incompetence, on bureaucratic controls and red tape, on Welfare State extravagance, on Russia, on Communism.

Behind all this comedians' cross-talk the real problems are hidden. Meanwhile the situation deteriorates. Britain is being driven to disaster.

It is time to face honestly the new conditions of Britain, the British Empire and the world. The crisis which is affecting Britain in so many and varied forms is not temporary or accidental. It is an integral part of the era of social change through which we are living. All the contradictions between the old and the new affect Britain most sharply, because Britain has been for long years the centre of the world's largest Empire, and the new strivings of mankind towards emancipation are shaking the whole fabric of that Empire. On the broadest canvas, the crisis in Britain is only part of the general crisis of capitalism and imperialism which has developed continuously since the first world war and the first victory of the socialist Revolution in Russia, and which has been carried further forward by the effects of the second world war, the defeat of fascism, and the victory of the Chinese Revolution. But this general crisis affects Britain and the countries of Western Europe, the oldest centres and breeding ground of capitalist civilisation and world expansion, in special forms.

The special crisis of Britain and Western Europe is the crisis of the imperialist system, upon which the economy of these countries has been built up, and which is now approaching bankruptcy.

For decades Britain, France, Germany, Belgium, Holland and the associated Western European countries have maintained a privileged area of relatively superior economic conditions on the basis of the exploitation of hundreds of millions of colonial peasants and workers, from whom a large surplus of unpaid imports was drawn.

This pattern of imperialist power relations and world exploitation is breaking down. It can no longer be maintained or restored.

But the entire social-economic structure of these countries in the modern period, and the entire political structure of so-called "Western democracy" and the imperialist upper stratum of the labour movement, of Tory imperialism and liberal social-democratic reformism, of the so-called "Welfare State," have been built upon this basis. Imperialism has been the grand permanent assumption underlying equally Toryism and Labour Reformism, and finding expression in all the peculiar features of what is currently (and inaccurately) termed "Western civilisation," "Western democracy," the "Western labour movement" and the "Western way of life." With the crumbling of the foundations, the whole superstructure is cracking. This is the dilemma to which neither Toryism nor Labourism, neither Fascism nor Social-Democracy, neither Marshall nor Keynes, can provide an answer.

Dollar injections offer no remedy for this disease, since they do not touch the cause. On the contrary, they accelerate the disease, since they artificially promote and maintain the parasitic dependence which is its characteristic symptom, extend the penetration and domination of the stronger American imperialism, prepare the ground for war, and prevent healthy recovery.

Rearmament for the maintenance and protection of this imperialist system against the advancing liberation movement of the peoples over the world only intensifies the disease in the metropolitan centres of the imperialist system, since it places new and intolerable strains upon the already enfeebled economic structure.

On all sides vast new schemes are put forward to expand, modernise and intensify Empire development as the grand key to the solution of Britain's economic problems. Conservative and Labour Party leaders vie with one another in the claim to have "discovered the Empire" afresh, and to hold the key to a glorious new epoch of prosperity and advance on the basis of a positive policy of Empire development. A plethora of "Colombo Plans," "World Mutual Aid" schemes and "Point Four" projects litter the desks of officialism as the triumphant answer of the financiers and monopolists to the crisis of their imperialist system.

The more these new schemes for a modernised imperialism are

examined, however, the more they will be found to be only refurbished and enlarged versions of the old. Beneath all the philanthropic cover, they are still directed to maintain and extend the essential features of the colonial system: the "development" of the colonial countries primarily as sources of raw materials, as markets, as spheres of investment, and as strategic areas; the intensified exploitation of the colonial populations at low standards of living; and the extraction of super-profits for the monopoly combines and investment corporations operating in the colonial and dependent territories. In their political context, these schemes are based on propping up the most reactionary social strata in the colonial and dependent territories, the princes, feudal chiefs, landlords, compradores, local racketeers and speculators, or even downright puppets of the Bao Dai and Syngman Rhee type, as the only reliable allies of imperialism. These weaknesses mean that the new plans of imperialism are inevitably doomed to the same bankruptcy as the old.

For these reasons the dreams of a solution along these lines are empty castles in the clouds. All the grandiose new schemes for a modernised imperialism, whether on the basis of new manoeuvres and alliances with the most corrupt exploiting elements, as in India and the Middle East, or vast projects for the intensified colonial exploitation of Africa as the solution of Western Europe's home problems, are built on sand. They can only end in a deeper catastrophe, in face of the rising contradictions, the weakness of the old colonial powers, and the advance of the popular revolt in all colonial and semi-colonial countries without exception. As the experience of the groundnuts fiasco in Africa or the war in Malaya have illustrated, the measures undertaken to carry out these schemes, so far from providing a solution for the crisis of the imperialist countries, intensify that crisis by adding new burdens and overstraining their already weakened economies.

The crisis of empire cannot be sidestepped. The peoples of Britain and Western Europe are faced with the inescapable necessity to build their lives anew, and to carry through a radical reconstruction of their own countries and of their relations with the present dependent peoples of their empires in such a way as to break once and for all with the old rotten parasitic basis of imperialist domination and exploitation.

It is necessary to face frankly and honestly the deeper underlying factors of the present crisis of the imperialist system. What are these factors? Four key factors may be indicated.

First, a new era of world history has opened, in which there is no longer room for imperialism. The broad general character of this era which has opened is that of the transition from capitalism to socialism, and eventually to communism. But capitalism is no uniform world system. The world expansion of the handful of

leading capitalist powers has subjected the majority of nations, especially in Asia, Africa and Central and South America, to varying degrees of colonial conquest or semi-colonial dependence. This subjection has not only robbed these countries of independence, but has also arrested their social and economic development, so that a wide variety of obsolete pre-capitalist social forms not only survive, but are often artificially maintained by the capitalist conquerors, as subordinate elements within the general orbit of imperialist exploitation. Hence the advance of the socialist revolution on a world scale necessarily includes as an essential element, as Lenin repeatedly insisted, the completion of the democratic revolution and the national liberation of all the colonial and dependent peoples who have been subjected to world capitalism. At the height of the imperialist era these colonial and dependent peoples constituted the majority of mankind, and still represent something like half the human race, and the majority of those oppressed and exploited by capitalism. The revolt of the colonial and dependent peoples is the most powerful driving force, in unity with the revolt of the working class in the capitalist countries, in the transition from capitalism to socialism.

All this was once theory of the future. To-day it has advanced far in the sphere of practice.

From Prague to Pekin a new world has come into being which has freed itself from the orbit of imperialism. One third of humanity, under the leadership of Communism, are building their countries anew, free from the domination of the exploiters and imperialism. This transformation spells doom to the old imperialist order in Britain and Western Europe. But it spells new hope and opportunity for the peoples of Britain and Western Europe, with the great role their productive skill, equipment, experience and organisation can play in building the new world, provided they respond to the opportunity and free themselves also from the shackles of imperialism.

Second, within the now restricted imperialist world the law of the uneven development of capitalism has operated to such an extreme degree that the decisive predominance of economic power in the capitalist world, of productive resources, of capital accumulation, and of strategic power is to-day concentrated in the hands of the United States financial oligarchy. American imperialism is not only dominant economically, politically and in military strength, on the sea and in the air. American imperialism also intervenes actively in all the countries of the capitalist world, alike in the metropolitan countries and in the colonial and dependent countries. The older capitalist empires of the European powers are reduced to subordinate status in relation to the American world capitalist hegemony. In particular, the British Empire, dependent on sea power for its existence, is compelled to recognise the superior

strength of American sea power and air power, of the American chain of world bases, and of American capital resources. This predominance of American imperialism, and the extending successful pressure of its commercial competition and financial penetration, backed up by all the resources of an American diplomacy which has long abandoned the old isolationism, exercises a powerful weakening and disorganising influence on the British Empire. American imperialism simultaneously intervenes to "aid" the weakening and tottering European imperialist powers, and utilises that "aid" to extend its grip and domination. Thus American imperialism becomes at the same time the main prop of the enfeebled imperialist system, and a main driving force to its further disorganisation and crisis.

Third, the remaining subject colonial and semi-colonial peoples are no longer prepared to tolerate their subjection. They are revolting against foreign rule or intervention in their countries; against racial and colour discrimination; and against denial of democratic rights. They are revolting against the economic domination of imperialism; against the plunder of their resources; against the retardation of their economic and social development; and against the mass poverty, misery and backwardness accompanying imperialist exploitation. They are no longer content to be the hewers of wood and drawers of water in the system of world economy—the primitive appendages of the advanced industrial countries. They are demanding national independence. They are demanding to become masters of their own countries, so as to carry through plans of industrialisation and agrarian reform, and thereby to achieve a strengthened and balanced economy capable of maintaining a higher standard of living. The victory of the Russian socialist revolution, and the liberation of all the former subject nations oppressed by Tsarism and their subsequent stupendous economic, social and political advance, has exercised a powerful impetus on the struggle of all subject peoples for freedom. The subsequent victory of the Chinese revolution has exercised a still further powerful impetus during these recent years, especially in all the countries of Asia. The national liberation movement grows in all colonial and dependent countries and continuously advances in strength. Neither the manoeuvres of political deception, quisling regimes or constitutional fictions nor open police and military repression is able to prevent its advance.

Fourth, the British people, who have previously acquiesced (with the exception of a progressive minority) in the imperialist system of their masters, and even shared in fragments of the spoils, are now seeking, as the crisis of the old system deepens, a new way of life, and have begun to turn to the aim of socialism—that is, to cease to be partners and accomplices with their imperialist rulers in the domination and exploitation of other peoples, and to

become masters of their own country and of the wealth they produce, and to organise their life as a free people on a basis of equality of rights with all nations. This aspiration and advance of the British people towards socialism is still frustrated at present by the continued dominance within the labour movement of a leadership which proclaims the nominal aim of "socialism" but translates it in practice into the service of imperialism and thinly veiled alliance with Tory reaction. But this deception and side-tracking of the people's striving towards socialism cannot be maintained for a prolonged period, especially as the deepening of the crisis is undermining the economic basis of this leadership and its policies, and revealing ever more sharply the deadly consequences and perspectives of imperialism for the British people.

What is the answer of Britain's rulers, of official Britain, of the Tory and Labour Party leadership to these new conditions of the world, which vitally affect the future of Britain and the British Empire and the British people?

The first task of statesmanship in Britain to-day is to understand these new conditions and the necessary conclusions which must be drawn for the solution of the urgent problems now arising.

But statesmanship is far removed from the present dominant political leadership in Britain.

To the new rising world of socialism and popular democracy and national liberation, embracing one third of humanity, they can only scream: "Totalitarianism! Slavery! The End of Civilisation! Public Enemy Number One! Arm for the Third World War!"

To the advancing penetration of American imperialism subjecting and occupying Britain they can only answer: "American predominance is inevitable. The American alliance is our sheet-anchor. Let us acclaim America as the saviour of civilisation."

To the rising revolt of the subject colonial peoples they proclaim: "Bandits! Terrorists! Our colonial wars in Eastern Asia are only police actions."

And to the demand of the British people to advance to socialism the Labour Government Ministers answered: "All your wishes are fulfilled. Class divisions have vanished. Poverty is no more. Forget the rising prices, falling standards, soaring profits, colonial wars and atom bomb bases. This is the era of Democratic Socialism. Behold the new Socialist Britain!"

These answers, however, fail to exorcise the crisis. And they are beginning to fail to deceive the people, as the crisis deepens and anxiety and alarm spreads in the labour movement and among the widest sections.

An alternative policy can and must be found if the British people are not to go down with the sinking imperialist system into economic catastrophe, national subjection and the limitless destruction of a new world war.

The way is open to a different future alike for the British people and for all the peoples of the British Empire, once they break with the imperialist basis and become masters of their own countries to establish new and friendly non-imperialist relations of mutual advantage for the solution of their common problems.

There is no inevitable necessity of chronic crisis in Britain, or of a black perspective of worsening conditions and the advance to war. The British people possess already all the conditions and possibilities, in the resources of their country, in their industrial development, in their technical skill and experience, no less than in the character of the people and their traditions of democratic social and political organisation to conquer the present crisis and win a new and happier future. The present stirrings among the widest sections of the labour movement and among the entire people are evidence that they are rapidly advancing towards maturity of political conditions, to become masters of their country, to end the black record of monopoly capitalist Britain, and go forward to a free, happy and prosperous socialist Britain, on a new basis of friendship and partnership with the liberated peoples of the present Empire, and in the vanguard of the peaceful progressive nations of the world.

There is equally no inevitable necessity for the continuance of the servitude, mass misery and backwardness of the colonial and semi-colonial peoples. The example of the Central Asian Republics of the Soviet Union has shown how rapid a leap forward, how complete a transformation can be achieved from the most primitive, backward poverty-stricken conditions to advanced, industrialised, prosperous and culturally developed countries, once the bonds of imperialist domination are thrown off, and once the liberated peoples are able to go forward on the tasks of reconstruction of their countries in co-operation with the victorious working class of a socialist country.

It is the imperialist system which strangles the life and development of the colonial countries, and also, most visibly in the modern period, of Britain, subjects them to economic disorganisation and crisis and intensified preparation for war, sets their peoples in conflict and causes mutual distrust and hostility and destructive colonial wars.

The true interests equally of the British people and of the colonial peoples lie in their closest association and alliance against the common imperialist enemy, whether British or American imperialism, and in their further co-operation, once the battle for liberation has been won, in assisting one another in the protection of their common freedom and in the tasks of reconstruction of their countries.

The solution equally for the British people, for the peoples of the Dominions and for all the subject and dependent peoples of

the British Empire, lies through the complete ending of the colonial system, the reorganisation of economy on a non-imperialist basis, and their closest fraternal association for the fullest development of their productive resources and mutually beneficial economic relations, on a basis of complete national independence and equality of rights, within the general framework of international co-operation of all democratic countries and the maintenance of peace.

It is the purpose of the study attempted in this book to examine the conditions of this problem and the way forward to this solution.

CHAPTER II

WHAT THE EMPIRE IS TO-DAY

"The earth is a place on which England is found,
And you find it however you twirl the globe round;
For the spots are all red and the rest all grey,
And that is the meaning of Empire Day."

G. K. CHESTERTON.

1. *Does the Empire Exist?*

BEFORE considering the present problems of Britain and the British Empire we need to examine a preliminary question of an odd nature.

Does the Empire exist?

This question is posed in no frivolous spirit. It is true that the late Mr. Thomas Handley in one of his "Itma" sketches tried out applying the technique of "Twenty Questions" to the subject of "The British Empire," and to the traditional initial question, "Fact or Fiction?" rapped out the answer like a pistol-shot, "Fiction." But Mr. Handley was only reflecting with his customary sharpness the spirit of the age.

It is a characteristic symptom of institutions in extreme decay that plain language, which once was used habitually without question in the days of robust self-confidence, becomes diplomatically undesirable and *tabu* in the final stages of nervous palsy and apologetics. The brutal frankness of designation of "master" and "hand" is covered over with a sickly mantle of "equality" and "co-partnership" and "the new spirit in industry" and "industrial psychology," not because the reality of wage-slavery has yet been abolished, but because it is under extreme menace and due to be replaced by a new relationship, and the representatives of the old order hope to stave off the evil day by substituting a change of words for a change of realities.

In the same way the terms "empire" and "imperialism," which once were proclaimed with pride, have fallen into disfavour. In current official utterances it is fashionable to claim that "empire" and "imperialism" belong to the obsolete past, and have long since been replaced by a "Commonwealth" based on freedom.

Thus Mr. Attlee, in a speech at the Lord Mayor's banquet in November, 1947, declared:

> "If there is imperialism in the world to-day, by which I mean the subjection of other peoples by the political and economic domination of other nations, it is certainly not to be found in the British Commonwealth."

Mr. Attlee was speaking in the historic Mansion House to an audience of city magnates whose wealth is built on colonial plunder, and where even the traditional gold plate of the classic banquet is drawn from the agony of African enslavement. Only a few months before Mr. Attlee spoke, the African gold-mine workers, earning 2s. 5d. a day to yield £43 million profits, had dared to strike—illegally—against such starvation wages, and had been batoned back into the mines, with numbers killed and hundreds arrested.

When Mr. Attlee stepped out of the Mansion House, glowing with conscious virtue, he stepped into the midst of the imposing edifices of the great monopolies whose very names cried empire exploitation—Anglo-Iranian Oil Company, Imperial Tobacco, Royal-Dutch Shell, United Africa Company, Consolidated Goldfields, Colonial and General Investment Corporation.

But of course British imperialism does not exist. It is only a figment of the imagination of suspicious critics and disaffected colonials. The Empire, we are assured, has long since been replaced by "the Commonwealth"—a bastion of freedom against totalitarian slavery.

This curious sophistry of language expresses an attempt to substitute a *change of names* for a change of realities.

The conception of a Commonwealth of free nations voluntarily associating for progressive aims could be a very fine conception. But the substitution of the *word* "Commonwealth" for the word "Empire" does not diminish by one whit the plunder of the land of the people of Kenya, the exploitation of a Ceylon plantation worker or the razing of a village in Malaya.

This sophistry of language also confuses the *decay* of Empire with the *end* of Empire. Undoubtedly these conventional modern disclaimers of "imperialism" are a tribute to the strength of anti-imperialist feeling—just as hypocrisy is proverbially the tribute vice pays to virtue. They are a recognition that the concept of empire and imperialism is no longer popular and can no longer be justified. They represent an attempt to juggle with the new techniques of imperialism in decay and present them as equivalent to the end of imperialism. But they are a very misleading guide to the real situation.

British imperialism is gravely weakened to-day, both by the pressure of American imperialism and by the advance of the revolt of the colonial peoples, as well as through its own internal eco-

nomic disorganisation and contradictions. But this does not mean that it has already given up the ghost or retired from the arena.

Over large areas the British imperialists have had to execute retreating movements, to make concessions, here to the United States monopolists and strategists (in the Far East or the Middle East), there to upper-class exploiting elements in the colonial countries in order to defeat the national independence movements (in India and Burma), to manoeuvre, to substitute indirect rule for direct rule.

Over other areas the British imperialists seek to maintain full domination and direct rule by all methods, including the unrestrained use of violence, police state methods and armed force—often alongside fictitious constitutional concessions—as in Malaya or the African colonies.

For purposes of propaganda all the limelight is turned on the areas where the strength of the national movement has compelled a partial retreat, or on the fictitious constitutional concessions. Under cover of this propaganda the violent aggressive character of imperialism is concealed from view, and the British people are called on to make sacrifices and support colossal armaments for "defence."

Troops may be withdrawn from Palestine—to be concentrated in Iraq or Jordan. They may be removed from Alexandria—to be concentrated in the Canal Zone. They may be removed from the Canal Zone—to be concentrated in the Gaza Strip or Cyprus. A new base is prepared in East Africa. Ceylon is granted "dominion status"—but the British naval base of Trincomalee is maintained. India is partitioned between the Union and Pakistan—but new air bases are developed in both parts for the use of the R.A.F. Burma may be granted "independence"; but a British Military Mission remains, while the resources of the country belong to the overseas monopolies and a crushing burden of debt is imposed. Troops may be withdrawn from Burma; but over 100,000 troops and special armed police are maintained in Malaya, and additional special armed forces are sent to Hong Kong.

This is the politics and strategy, not yet of the end of imperialism, but of imperialism in decline.

British imperialism is in extreme decay. But it is not yet finished. It is striving to adopt many new forms and techniques to meet new conditions, not in order to commit suicide or liquidate itself, but in order to continue to promote its age-old aims of extracting the super-profits of colonial exploitation. It has to retreat in places at the same time as it seeks to advance in others. The dying wild beast of imperialism has not become a lamb. On the contrary, the dying animal is often more desperate, ferocious, reckless, aggressive and bellicose. Witness of this is written from Greece to Malaya, from Enugu to Korea, and from super-rearmament to the worship of the atom bomb as the supreme weapon of "civilisation."

The war in Malaya, the Fulton foreign policy, the groundnuts mirage, President Truman's Fourth Point, warships in the Persian Gulf, the Atlantic Pact, Austerity Budgets and the £4,700 million Rearmament Programme—these are all strands of a single pattern.

2. *Title or Alias?*

What, then, is the present British Empire—or "British Commonwealth of Nations" or "Commonwealth of Nations" or "British Commonwealth and Empire"?

This multiplicity of titles is itself a reflection of the instability of the present structure. None of these titles is officially more correct than another. All these titles are used in varying degree, both unofficially and officially. Even what is comprised within these titles is often far from precise. There is a "Commonwealth Relations Office" which does not deal with the colonies. There is a "Colonial Office" which does not deal with the Dominions. There is a Secretary of State for Colonial Affairs, and another Secretary of State for Commonwealth Relations, both in the Cabinet with equal status. The most important area of modern British imperialist interests, it is repeatedly stressed, is in the Middle East. But this area is dealt with by the Foreign Office. Does the "Commonwealth" include the Crown Colonies? The restriction of the scope of the "Commonwealth Relations Office" would imply that it does not. But modern legislative usage, as in the definition of a "Commonwealth citizen," would answer that it does. Does the "Empire" include such virtually independent Dominions as Canada or Australia? Does the "Empire" or "Commonwealth" include the Trusteeship territories? Such questions could be extended indefinitely, and the answers would reveal considerable variety.

In the Introductory Note at the opening of this book the usage of the single old-fashioned title "The British Empire" for the purposes of the subject-matter of this book is explained, and the justification for this usage given.

There is a widespread illusion that the "Commonwealth" refers to the self-governing Dominions, and the "Empire" refers to the non-self-governing colonies and protectorates. It is this illusion which has given rise to the double-barrelled monster, "Commonwealth and Empire." But there is no legal foundation for this illusion. The term "Commonwealth" in legislative usage includes equally the United Kingdom, Dominions, colonies and protectorates.

In this connection the comment of that veteran warrior of the British Empire, Mr. Churchill, is worth recalling. On the occasion of a gathering of the Royal Empire Society addressed by the American Ambassador on October 19, 1950, Lord Halifax, in

the Chair, recalled a speech of Mr. Churchill to thirty or forty Congressmen and Senators in the United States.

> "Senator Vandenberg had casually remarked to Lord Halifax: 'We should all get on much better if you British would stop talking about the British Empire.' Immediately afterwards Mr. Churchill began his speech.
>
> "Lord Halifax went on: 'Carried away by the eloquence engendered by his own qualities, Mr. Churchill stood with a large cigar in one hand and a whisky in the other, to which he attended with alternate up-and-down motions of his hands.
>
> " 'And he talked about the British Empire. I managed to convey telepathically to him what Senator Vandenberg had said to me.
>
> " 'Whereupon Mr. Churchill, turning towards the Senator, went on: "The British Empire—or the Commonwealth of Nations. We keep trade labels to suit all tastes." ' "
>
> (*Daily Telegraph*, October 20, 1950.)

Since we are concerned for present purposes, not with trade labels, but with political realities, we shall hereafter ignore the diplomatic confusion of titles, and concentrate on the reality— the British Empire.

3. *One-Quarter of the World*

The British Empire in 1950 extended over one-quarter of the total land area of the globe and included one-quarter of the earth's population.

The estimates available, both of extent and of population, vary slightly, according to the basis of computation and the statistical sources used.

Thus the *Statistical Abstract for the British Commonwealth for 1933-9 and 1945-7* (Cmd. 8,051, 1950), published a table of the different territories with the estimated population in mid-1947, which totals 13,281,256 square miles and 606,499,000 population. From this table it is necessary to deduct Eire and Burma, which have since formally withdrawn from the Empire, and Palestine, which is now divided between Israel and Jordan. This would give a corrected total of 12,982,080 square miles, and 584,660,000 population. A certain addition to allow for increase of population would need to be added to give a more up-to-date figure. On the basis of the latest available population estimates for 1950 (set out in more detail in subsequent tables in this chapter), this would give a total population in 1950 of 617 millions.

If we compare this with the estimates offered in standard reference books we get the following:

Table I

THE BRITISH EMPIRE IN 1950

	Area (thousand square miles)	*Population (millions)*	*1950 estimate*
Statistical Abstract for the British Commonwealth for 1947 (as corrected)	12,982	584.7	617.8
World Almanac, 1951	13,022	597.6	—
Whitaker's Almanack, 1951	14,435	539.9	—
World Area and Population (for comparison)			
	51,375	2,378[1]	

4. *Associated Territories*

The official total given above includes the United Kingdom, the older Dominions (Canada, Australia, New Zealand and South Africa), the new Asiatic Dominions (India, Pakistan and Ceylon), the Crown Colonies and protectorates and the Trusteeship territories of the United Kingdom and of the Dominions, as well as South-west Africa (illegally annexed by South Africa) and the Condominium (in 1950) of the Sudan.

On the other hand, it does not include territories which are formally "independent" "sovereign States," but in reality virtual British protectorates or very closely linked with the British Empire, with British military occupation, such as Jordan (proclaimed "independent" under King Abdullah by the British Government in 1946, with the British-officered Arab Legion); Iraq (proclaimed "independent" under King Feisal by the British Government in 1927, with British military occupation); Egypt (proclaimed "independent" under King Fuad by the British Government in 1922, and subsequently bound by the Treaty of 1936, with British military occupation of the Canal Zone); or Burma (proclaimed "independent" by the British Government in 1947, but with a British Military Mission, and economically, financially and militarily dependent on Britain). Iran, while never formally reduced to colonial status, was in practice up to 1951 pre-eminently a British sphere of

1 World population estimate from **United Nations Demographic Yearbook, 1949-50.** This total of about 13 million square miles is equivalent to a little over 25 per cent. of the land area of the globe; and the total population of 617 millions in 1950 is equivalent to 26 per cent. of the estimated population of the world.

influence dominated by the Anglo-Iranian Oil Company, with the 1933 Agreement imposed under the pressure of the presence of British warships, and with the southern region under the concession (extending over an area greater than the United Kingdom) virtually a British colony. The British protectorates in Arabia include officially Bahrein, Kuwait (whose oil is in practice divided between Anglo-Iranian and American interests), the Trucial Sheikhs and Qatar; while Yemen, although formally an independent member of the United Nations, is closely associated with Britain by the Treaty of 1951, and the Sultanate of Muscat and Oman by the Treaty of 1939, reaffirming the close association of a century and a half. Further, the Himalayan States of Nepal, Bhutan and Sikkim, formerly associated with the British Government in India, are now similarly associated with the Indian Government, which has taken over from the British Government the exercise of a controlling influence in their affairs. Finally, there is the more controversial question of the position of Eire, or the Irish Republic (the twenty-six counties), which proclaimed its independence of the British Empire in 1949; it is, however, not only tied in practice by very close economic and financial links to Britain, but its "independence" as an expression of Irish independence is limited by the British-imposed partition of Ireland, with British troops in Northern Ireland; hence the problem of national liberation cannot yet be regarded as finally solved in Ireland. All these countries should accordingly be included in a wider definition of the real full range of the British Empire, as opposed to the misleading constitutional forms. This would accordingly give the following wider range of countries and peoples, formally independent, but in practice closely associated by varying links with the British Empire:

Table 2

"INDEPENDENT" ASSOCIATED TERRITORIES

	Area (*square miles*)	*Population* (*thousands*)
Jordan	36,270	1,367
Iraq	116,118	4,800
Egypt	383,200	20,045
Iran	628,000	18,387
Arabian States[1]	160,000	4,440
Himalayan States[2]	75,000	6,703
Burma	261,000	18,304
Eire	26,601	2,991
Total	1,686,189	77,037

1 Bahrein, Kuwait, Trucial Sheikhs, Qatar, Yemen, Muscat and Oman.
2 Nepal, Bhutan and Sikkim.

(Sources: Areas from *Political Handbook of the World*, 1951. Population figures from *United Nations Demographic Yearbook*, 1949-50, except Jordan, where the latest available estimate is taken from the *Political Handbook of the World*, 1951, to include the annexed portions of Palestine and the Arab refugees. Statistics of the Arabian and Himalayan States from the *Statesman's Yearbook*, 1951.)

If these countries are included we get the following picture of the more extended effective range of the British Empire in 1950:

Table 3

THE BRITISH EMPIRE IN 1950 (EXTENDED TABLE)

	Area (thousand square miles)	*Population (millions)*	*Population 1950 estimate (millions)*
Statistical Abstract for the British Commonwealth for 1947 (as corrected)	12,982	584.7	617.8
Associated territories	1,686	77.0	77.0
Grand Total	14,668	661.7	694.8

This extended total is equivalent to 28.5 per cent. of the land area of the globe and 29.2 per cent. of the world's population.

Even this extended total does not take into account the former Italian colonial territories still administered by Britain in 1950;[1] the status of Ethiopia brought within the British sphere by the Anglo-Ethiopian Agreement of 1944 with British technical and administrative advisers, though increasingly subject to American penetration in recent years; the traditional satellite position of Portugal and the Portuguese colonies in relation to the British Empire; the close association of Holland and the Dutch colonies with British interests (Royal Dutch-Shell and Unilevers); or the special position of such countries as Norway and Denmark, closely linked economically with Britain and the Sterling Area.

In many respects the "Sterling Area," while having no constitutional status in terms of the relations of states, is a closer guide than constitutional forms to the effective sphere of influence of

1 In 1951 Libya was proclaimed an "independent federal kingdom" under a British-sponsored ruler, with an Anglo-Libyan financial agreement, British economic and financial advisers and auditors-general, a British subsidy for its budget, and provision for inclusion in the sterling bloc. Hence by 1951 the "Kingdom" of Libya should be added to the "Associated Territories" of the British Empire. Even in the last stages of decline the appetite for expansion does not vanish.

British imperialism in modern international relations, and often tends to be employed in current usage as a kind of diplomatic *alias* for the fullest range of the British Empire and the countries within its orbit (excluding Canada).[1]

This degree of fluidity of frontiers or boundaries is characteristic of the real politics of modern imperialism, where the status of the directly administered colony shades into the status of the indirectly ruled protectorate, satellite or semi-colony, and still further into the status of a sphere of influence or dependent country, with many intermediate and hybrid forms and varieties. This complex character of modern imperialist relationships becomes of further importance when we shall have to consider the position of Britain itself and the British Empire in relation to the encroaching influence and domination of the more powerful American imperialism.

5. *The "White Dominions*[2]

Whether the frontiers are drawn on a broader or narrower basis, the British Empire embraces a very wide range and variety of countries and peoples with very varying forms of relationship to the metropolitan centre.

The United Kingdom has an area of 94,000 square miles, or a one hundred and fortieth part of the Empire, and a population of 50 millions, or one-twelfth of the population of the Empire (taking the Empire on the narrow basis—within the official frontiers). This means that the overseas territory of the Empire is one hundred

1 The official definition of the "Sterling Area" includes, in addition to the United Kingdom, "(a) dependent overseas territories of the United Kingdom (Colonies, Protectorates, Protected States, Trust Territories, etc.); (b) other Commonwealth countries (including Southern Rhodesia, but excluding Canada); the Irish Republic, Burma, Iraq, Jordan and Iceland" (**United Kingdom Balance of Payments, 1948-51 (2)**, April, 1952, p. 28).

2 The term "Dominion" was first used for Canada when the federation of the Canadian provinces was established by the British North America Act of 1867. Australia was constituted a "Commonwealth" when the Australian colonies were federated in 1901. South Africa was constituted a "Union" by the British Act of 1909. The general term "Dominion" became extended by usage to all these self-governing territories of the Empire with white populations or white ruling minorities. The claim of the Dominions to the formal status of sovereign states in external relations (though in practice co-ordinating their policy with the United Kingdom) was recognised as an outcome of the first world war and their independent signature of the Versailles Treaty. The legal definition of "Dominion status" was drawn up by the formula of the Imperial Conference of 1926 and codified in the Statute of Westminster in 1931. When the new constitutional regimes were imposed on India, Pakistan and Ceylon after the second world war, these were also described in general terms as "Dominions" (though India in 1950 formally proclaimed herself a "Republic" within the Commonwealth and recognising the King — now Queen — as "Head of the Commonwealth"). After "Dominion status" had thus been accorded to these Asian countries, Canada objected to the further use of "Dominion" to describe her own position. In place of "Dominion", Canada in 1952 adopted the title of "Realm." To follow all these ever-changing shifts and niceties of constitutional nomenclature would cause needless complication; and the general term "Dominion", familiar in popular usage, has here been adopted for convenience.

and forty times as large as the "home" territory, and the overseas population of the Empire outnumbers the "home" population by eleven to one.

The "White" Dominions—Canada, Australia, New Zealand and South Africa (the latter "White" only in the sense of the ruling minority, and not of the African and other non-European majority deprived of rights)—have an area of 7.2 million square miles, equivalent to over one half of the area of the Empire, and a population of 36 millions, or one-seventeenth of the population of the Empire.

Table 4

BRITISH EMPIRE: "WHITE" DOMINIONS IN 1950

	Area (*square miles*)	*Population* (*thousands*)
Canada	3,690,410	13,931
Australia [1]	2,974,581	8,126
New Zealand [1]	103,416	2,000
Union of South Africa [2]	472,494	12,320
	7,240,901	36,377

(*Sources:* Areas from the *Statistical Abstract of the British Commonwealth for* 1947, Cmd. 8,051, 1950. Population figures from the *Political Handbook of the World,* 1951.)

While these four older Dominions are here grouped as "White" Dominions, in the case of South Africa this is only true of the White ruling minority, since the African, Asian and Coloured population is in the neighbourhood of ten millions (1946 Census: Europeans, 2,372,690; Non-Europeans, 9,045,659). In New Zealand, also, there are 116,000 Maoris. The number of Aborigines in Australia is not included in the population statistics. Hence, if the subject colonial population of South Africa is excluded, the total white population of the Dominions is roughly 26 millions, or one twenty-fourth part, or 4.2 per cent. of the population of the Empire.

These "White" Dominions, while member states of the Empire, are in effect independent sovereign states or secondary imperialist powers, closely associated with British imperialism, and with British finance-capital interests strongly entrenched in them, but increasingly subject to the counter-pull of American imperialism. Their peoples have in general strong ties of kinship (with the exception of the

1 Excluding Trusteeship territories: see Table of the Colonial Empire of Britain and the Dominions.
2 Excluding South West Africa.

French-Canadians in Canada and the Afrikaners of Dutch descent in South Africa, as well as, of course, the African and other non-European majority in South Africa), language and tradition with the British people. Their bourgeoisie may be regarded as offshoots of the British bourgeoisie, representing "colonial" settlements in the old Roman sense rather than in the modern sense of subjection and government of alien nations; that is to say, their conquest of the countries they occupy was followed (with the exception of South Africa) by the more or less complete extermination of the original populations, thus turning their sparsely occupied territories into white settlement territories, within general stringent regulations to limit coloured immigration, as in the "White Australia" policy. Their effective independence, which was originally resisted by the "mother country," but the foundations for which were laid by the successful American War of Independence, followed by the Canadian armed rebellion of 1837, reached final full legislative recognition by the British Parliament's acceptance of the Statute of Westminster in 1931; and the remains of colonial relationship in the constitutional sphere are of minor importance. The Statute of Westminster defined the constitutional position of the Dominions and the United Kingdom in the following terms (drafted by that master of imperialist casuistry, Lord Balfour):

> "They are autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the Crown, and freely associated as members of the British Commonwealth of Nations."

It will be noted how this definition cunningly combines the the titles "British Empire" and "British Commonwealth of Nations" within the compass of a single definition. For the current position the political historian of the Americas, William Z. Foster, in his classic work, has defined the constitutional status of Canada by 1951:

> "In 1871 the last of the British troops left Canada, save for a few remnants in Esquimalt and Halifax. At the Imperial Conference of 1926 Canada was recognised as having 'equal status' with the United Kingdom. In 1927 Canada established its first foreign diplomatic mission in Washington; and in 1931 the Statute of Westminster removed the last major legal limitations on Canadian sovereignty. The monopolists who direct the policies of finance capital and its political spokesmen in Canada (this includes several very prominent United States capitalists) continue, however, to utilise some of the forms of colonial relationships as barriers against democratic advance. Typical of this is their preservation of the role of the British Crown in Canada, with its appointment of Canada's Governor

General. Another example is the preservation of the colonial relationship expressed in the fact that the big corporations can still appeal to the British Privy Council against the decisions of Canadian courts in civil cases. It must be emphasised however, that while these and other similar vestigial remnants of the colonial relationship are preserved by monopoly capitalism, Canada stands to-day fundamentally an independent nation, free to shape its own constitution and laws, free to wage war or to make peace as it wills, free to belong or not belong to the British Commonwealth of Nations and to the United Nations."

(WILLIAM Z. FOSTER, *Outline Political History of the Americas* (1951), p. 156.)

This formal constitutional "independence," however, does not exclude the very considerable degree of real dependence in practice on United States finance-capital, whose penetration has especially advanced in Canada at the expense of the former dominant position of British finance-capital.

6. *The Asian Dominions*

The more recently established Asian Dominions—India, Pakistan and Ceylon—occupy an area of 1,604,666 square miles, or a little over one-eighth of the area of the Empire, and have a combined population of 449 millions, equivalent to nearly three quarters, or 72 per cent. of the population of the Empire.

Table 5

BRITISH EMPIRE: ASIAN DOMINIONS IN 1950

	Area (*square miles*)	*Population* (*thousands*)
Indian Union	1,218,327	360,185
Pakistan	361,007	82,000
Ceylon	25,332	7,297
	1,604,666	449,482

(*Sources*: Areas from the *Statesman's Yearbook*, 1951. Population figures from the *Political Handbook of the World*, 1951.)

This population total of the Asian Dominions is equivalent to 280 per square mile, contrasting with 5 per square mile in the

"White" Dominions. Heavy pressure of population on the land area in the Asian Dominions (which is by no means the same as absolute over-population, but only over-pressure in relation to existing obsolete social-economic conditions long artificially fostered by imperialism) accompanies extreme deficiency of population in relation to the land area in the "White" Dominions. At the same time a policy of white predominance or exclusiveness is maintained in the "White" Dominions. This is one of the many deeper underlying strains and contradictions within the Empire—illustrated in the sharp contention between the Indian Government and the South African Government over the latter's discriminatory legislation against the Indian population in South Africa.

The new Asian Dominions are formally on the same constitutional basis as the older "White" Dominions, enjoying equality of rights under the Statute of Westminster. This constitutional form, however, is far from corresponding to the concrete reality. While direct responsibility for administration has been handed over to the alliance of Indian big monopolists, princes and landlords, or Pakistani big landlords and less-developed big capitalist elements, or Sinhalese big plantation owners and traders, as junior partners of British imperialism, the continuing grip of all-pervading British influence and domination, economic, financial, trading, political and military, is still considerable.

The entire machinery of administration has been taken over from British rule; and the senior officials have been trained on the British pattern, with many direct British representatives remaining in key positions or as advisers. The interests of the extensive British capital holdings in these countries are protected by the administrations; and the powerful British imperialist monopolies, either directly or in leonine partnership with the weaker local monopolies, exercise a dominant influence in economy. The feudal-imperialist exploitation of the masses continues unchanged, with the lowest colonial standards of living of the peasants and workers. Police repression is even more violent than before; and the armed forces, military, naval and air, are closely linked with the British armed forces, with many British officers still occupying important commanding positions or as advisers, with British training and equipment, and with the maintenance of British air or naval bases.

Hence a realist analysis must recognise that the full independence of these countries from imperialism has not yet been achieved; and that British direct rule has in effect been replaced by new methods of partial indirect domination with American imperialism simultaneously increasing its penetration, and with the local upper class interests seeking to exercise a certain manoeuvring role between British and American imperialism. This question is more fully examined in a later chapter. The conclusion is inescapable that,

despite the formal full independence and sovereign equality of the Dominions of India, Pakistan and Ceylon, the real position of these countries is still semi-colonial and dependent.

7. *The Colonial Empire*

Finally, the direct Colonial Empire of the Crown Colonies, protectorates and dependencies administered by Britain covers an area of 3,378,151 square miles and a population of 80 millions. To this must be added the colonial areas or trusteeship territories administered by the Dominions, covering an area of 502,406 square miles, and a population of 1.4 million. This gives a combined total of 3,880,557 square miles with a population of 81.4 millions, made up as follows:

Table 6

COLONIAL EMPIRE, 1950

	Area (square miles)	*Population (thousands)*
United Kingdom Colonial Territories		
The Colonial Territories, 1950-1 (Cmd. 8,243, 1951)	1,966,397	69,176
Add (not included in above list)		
Sudan	967,500	7,919
Southern Rhodesia	150,833	1,869
Bechuanaland, Basutoland, Swaziland (*Statistical Abstract for the British Commonwealth*, 1947, Cmd. 8,051, 1951)	293,421	1,046
United Kingdom Total	3,378,151	80,010
Dominions Colonial Territories		
Australia and New Zealand (New Guinea, Papua, Nauru, Western Samoa)	184,681	1,064
South West Africa (*Statistical Abstract* as above)	317,725	365
Dominions Total	502,406	1,429
Combined total of British Empire Colonial Territories	3,880,557	81,439

This directly subject Colonial Empire of Britain and the Dominions occupies an area a little under one-third, or 30 per cent. of the total area of the Empire; and its population is about one-seventh, or 13 per cent. of the total population of the Empire. All these peoples are directly governed by the ruling Power through its appointed officials, with widely varying patterns of constitutional forms and a facade in many cases of partial or limited representative institutions, but with decisive power always reserved in the hands of the Governor and his key officials and police apparatus, and with the Governor responsible, not to the people governed, but to the Colonial Office or Home Government. The main regions of this Colonial Empire are in Africa, the West Indies and South-east Asia, together with strategic posts and bases, such as Cyprus and Malta in the Mediterranean, and in all the oceans of the world.

A special position is occupied by Southern Rhodesia, in which the White settler minority, constituting one-sixteenth of the population, has won for itself rights closely analogous to those of a Dominion, while holding the mass of the Africans subject and deprived of rights of self-government, but with the Governor still holding reserved powers and special responsibilities on behalf of the British Government. The aim of the White ruling minority has been directed towards the establishment of a Central African Federation, to be entitled British Central Africa, composed of Northern and Southern Rhodesia and Nyasaland, which should have the full status of a Dominion. This would be a Dominion of the type of South Africa, in which a White minority holds power over an African majority deprived of democratic rights. Following a series of conferences in Africa and London, in which the overwhelming opposition of the Africans was demonstrated, also by boycott, the British Government in June 1952, published a White Paper announcing its intention to establish a "Federation of Rhodesia and Nyasaland." The Federation would contain 169,000 White settlers and 6 million subject Africans. The White 2.7 per cent. would have directly twenty-six of the thirty-five seats in the Legislative Assembly, while the African 97 per cent. would enjoy the privilege of knowing that nine seats (three Europeans) were allocated to "represent" their interests and an "African Affairs Board" would be established to "watch over" legislation affecting them and report to the Governor. This thin camouflage could not conceal the real character of the plan to extend the local White dictatorship over the Africans. The fulfilment of the plan would represent a step, not to greater self-government, but to heavier subjection of the African population. The announcement of the plan aroused universal African opposition.

8. *The Colonial and Semi-Colonial Majority*

If we draw together the results of this general survey, it will be seen that the British Empire comprises a series of different tiers or levels, and that the real categories do not always correspond to the constitutional or diplomatic forms. Such a realistic analysis of the main groupings constituting the British Empire would give the following picture as the actual concrete picture of the British Empire in 1950:

Table 7

THE BRITISH EMPIRE IN 1950: CLASSIFIED ANALYSIS

	Area (thousand square miles)	*Population (thousands)*	*Per Cent. of total population*	*White* (*millions*)	*Non-White* (*millions*)
United Kingdom	94	50,519	8.2	50.5	—
"White" Dominions	7,240	36,377	5.9	26.2	10
Asian Dominions	1,605	449,482	72.7	—	449.5
Colonial Empire	3,881	81,439	13.2	—	81.4
Total (official boundaries)	12,820	617,817	100.0	77	541
Associated territories	1,687	77,037	—	3	74
Grand Total	14,507	694,854	—	80	615

(*Sources:* Given in the preceding separate table. The slight difference of the total area from the 12,982,080 square miles in the *Statistical Abstract* reflects differences of computation in the official statistics of individual territories.)

Certain important conclusions stand out from this analysis. The White population of the Empire numbers some 77 millions (or, in the extended total, 80 millions), as against a non-White population of 541 millions (or, in the extended total, 615 millions). This represents a White proportion of one in eight. If it is recognised that the populations of the Asian Dominions, despite constitutional forms, are in reality in a dependent or semi-colonial position, then it is obvious that the colonial and semi-colonial population of the Empire represents the immense majority. *The colonial and semi-colonial population of the Empire represents seven-eighths of the total.*

9. *The Bond of Unity*

What is the unity which holds together this enormous range and variety of peoples and nations, races, colours and creeds, scattered over the entire globe?

In constitutional parlance the sole unifying factor which is valid for all the varied parts of the Empire is "the Crown." This is, however, a constitutional symbol, not an executive organ of government. It can be regarded as the formal expression of executive authority in the United Kingdom and the Colonial Empire directly administered by the United Kingdom. But it is in no sense, not even formally, the executive authority in any of the Dominions, old or new, in relation to which "the Crown" represents "the Head of the Commonwealth," not an organ of government or sovereignty. The real basis of unity cannot be the symbol, which is only the symptom or expression of the unity that gives rise to the symbol. The existence of the symbol only leads to the previous question: what gives rise to the symbol? What is the economic-political reality which finds necessary the symbol of "the Crown," and to the interests of which this symbol corresponds?

Is the Empire, then, a species of loose alliance, federation or association with mutual obligations and responsibilities? To this suggestion also the answer must be negative. The Empire is in no sense a federation: all the endeavours of the imperial federationists have invariably met with shipwreck. Nor is the Empire an alliance. The North Atlantic Treaty Organisation is a far more definite alliance, with written obligations undersigned and accepted by its contracting members, than the Empire or Commonwealth. And if refuge is sought in the attempt to describe the Empire as an "association," without any formal agreement or concrete obligations or responsibilities, this is once again to beg the question. Since there is no formal agreement, written or unwritten, what is the basis of association?

The despair of the constitutional jurists and political pundits to find an answer to this question leads to the attempt to create a *mystique of* Empire as the solution—the "mystic bonds" without concrete form or obligation, the "mystic circle of the Crown" (Churchill), the "brothers across the seas", the possession of common ideals, the "spiritual unity." [1] But there is no common character of nationality, race, religion or political forms over the Empire as a whole. Between the peoples of Britain and the "White" Dominions—primarily, Australia, New Zealand and Canada—there are common ties of kinship, language and tradition. But these

1 "The Crown has become the mysterious link, indeed I may say the magic link which united our loosely bound, but strongly interwoven Commonwealth of Nations, states and races" (Winston Churchill, broadcast on the death of King George VI on February 7, 1952).

represent numerically only a very small minority of the Empire. This natural basis of affinity has no application for the Empire as a whole. It is also possible to speak of a genuine basis of unity of interests of all the peoples of the Empire in the struggle for freedom: it is the purpose of the present study to promote such unity. But this unity is in the struggle *against* imperialism to establish a new basis of relations. It has nothing in common with the unity based on imperialist domination and exploitation.

The attempt, however, to substitute a *mystique* of Empire for a definable bond does in fact provide a clue to the real solution, provided that clue is followed through. For the final refuge in an undefinable *mystique*, a supposed "spiritual" essence which cannot be expressed in words, is always the last resort of a ruling class to describe a class reality whose true character it is desired to conceal.

When all the mythical factors of unity of the existing system of the Empire have been examined and exposed for the figments which they are, there remains one hard, concrete reality which is the sole common factor underlying the present economic-political structure of the Empire. That sole common factor is British finance-capital. It is British finance-capital whose ramifications reach through all the variety of political forms of the existing Empire, and which seeks with its customary coy anonymity to conceal itself beneath the symbol of "the Crown."

A partial recognition of this truth appeared in the *Economist* of June 28, 1952, when that journal wrote:

> "In the past the capital needed for the Commonwealth came predominantly from the United Kingdom. Indeed, it is this capital nexus, more than trade relations or common monetary reserves, that holds the sterling area together."

The *"capital nexus"* (admirably concrete term in contrast to the *mystique*) does in fact not only hold the "sterling area" together. It holds the Empire together. And with the drying up of the sources of capital from the United Kingdom, this journal of the City came to the melancholy conclusion that in such circumstances the British Empire would also disappear:

> "A Commonwealth whose development was financed predominantly from America would not long remain a British Commonwealth."

In other words, the master of capital is the master of the Empire. All the other more widely publicised spiritual "links" and "ties" are only the outer cover, not the inner essence.

Just before his death in 1895, Engels was engaged in writing draft notes for an article for *Neue Zeit*, containing his additions

to the third volume of *Capital,* in which he gave attention to the new developments of colonial policy. Engels wrote:

> "(7) Next, colonisation. To-day colonisation is simply a department of the Stock Exchange in whose interests the European Powers a few years ago divided up Africa. The French conquered Tunis and Tonkin. Africa has simply been given out on lease to the larger companies (the Niger, South African, German South-West and East African), Mashonaland and Natal have been taken over for the Stock Exchange by Rhodes."

Here Engels placed his finger on the driving force of the era of rapid colonial expansion.

The essence of empire—of capitalist empire, especially in its latest era of monopoly capital or imperialism—is the search for *super-profit,* as an essential part of the search for the highest rate of profit by modern monopoly capitalism as a whole. Marx already showed in the nineteenth century, in the era of industrial capital, how, in the conditions of uneven economic development of different countries, capital in advanced industrial countries could extract "super-profit," or a higher rate of profit than the average rate prevailing at home, from the peoples of countries at a lower level of technical development. "The favoured country recovers more labour in exchange for less labour" (*Capital,* Vol. III, Kerr edition, p. 279), the surplus going into the pockets of the capitalist class of the "favoured country" (who may use a portion of that surplus for the corruption of a privileged section of the workers and intermediate strata of the home population).

This extraction of "super-profit," as Marx showed, can take place on a basis of "pure" economic exchange between an advanced capitalist country and a country of backward economic development without any element of political domination by the colonial system. But the capitalist class invariably seeks in practice (already in special forms in the early colonial era; also, though less markedly, in the era of industrial capital; but most of all in the era of finance-capital, when the export of capital becomes decisive) to utilise its state machinery to establish *political* domination or control, direct or indirect, over the backward country, including with the use of armed force, in order to establish for itself as far as possible a monopoly hold on the particular country as a market, a source of raw materials and a sphere of investment, and so to ensure a specially favoured position for the extraction of the maximum super-profit. This is the essential character of the *colonial system.*

The colonial system is not an original invention of monopoly capitalism. The British monopoly capitalists took over and adapted to their own use the colonial empire which had been built up by the

capitalist traders of an earlier period, and enormously extended that empire. In the earlier capitalist era the colonial system was directed primarily to the conquest of closed markets and sources of supply openly run for the enrichment of the home country, and often closely linked with looting and piracy, wherever favourable opportunities arose. In the era of industrial capital, when Britain's supremacy in world manufactures gave unchallenged economic predominance without need of special political control over the foreign purchasing country, the colonial system was regarded as of less importance, though it was still tenaciously maintained, both for the control of trade routes, and for the special advantages thus obtained in monopolising a country's trade and retarding its own industrial development, as in India. But with the development of the era of finance-capital, when the export of capital became the decisive economic driving force, relegating the profits of trade and shipping to a relatively secondary role, linked up with and subordinate to the export of capital, the question of political domination of the country where capital was invested, especially if that country was in the precapitalist stage, became of key importance. The relation of the exporter of goods and the customer is one in which each operation is completed in a short term, and only reasonable political stability is required. But the relation of creditor and debtor is a long-term relation, which inevitably gives rise to the demand for political control in the case of a weaker or backward country in order to protect the capital invested and ensure the regular payment of interest or redemption. Hence the export of capital plays a specially important role in the violent expansion of the colonial system in the late nineteenth century and modern imperialist era.

Colonial super-profit is thus extracted in a variety of ways, and is not confined to a single type. The varying forms of extraction of colonial super-profit correspond to the different historical stages in which they have arisen, during the successive phases of capitalist development, the older forms not disappearing with the emergence of newer forms, but being taken over, adapted and merging into them.

Through the forms of trade the advanced industrial country is able to exchange "more labour for less," in Marx's phrase, i.e. by exchanging the product of a few hours' labour-time in home industry for the product of many hours in the colonial or dependent country. While such super-profit through trade can also be extracted from backward non-colonial countries (in practice such countries are normally dependent countries), in colonial countries this super-profit is enhanced by direct ownership of key resources and monopoly control of the market and means of communication. This process of colonial exploitation could be abundantly illustrated from the operations of the United Africa Company as the dominant monopoly in Nigeria and the Gold Coast.

The special advantages obtained by Britain from colonial domination even in terms of "pure" trading relations—irrespective of the obvious additional advantages of the governmental power in respect of the placing of contracts or to influence the placing of contracts, and the elaborate mechanism of preference tariffs designed to give a discriminatory advantage—is illustrated in the lower prices paid by Britain for colonial supplies of food or raw materials from British colonies below the world price and even below the prices paid by Britain at the same time for identical supplies from countries outside the British colonial empire.

> "The control over Colonial suppliers gives us a double advantage. We can get the same goods at lower prices from our colonies than from other overseas countries, and in addition we can retain some of the proceeds of the sale of colonial products in the world in the form of sterling balances.
>
> "In 1951 bananas were imported from Nigeria and Jamaica at £2.42 per hundredweight and from the Canary Islands at £2.65. Coffee was imported from British East Africa at £13.0 per hundredweight and from Brazil at £20.3. Unrefined sugar was imported from Mauritius at £1.92 per hundredweight and from the British West Indies at £2.05, but from Cuba at £2.48. . . .
>
> "These examples suffice to show that Britain can and does wrest a price advantage from dependent suppliers. This price advantage may be presumed to take also another form. The same commodity exported from British Colonies reaches a higher price in foreign countries than in the United Kingdom, e.g. cocoa beans."
>
> (Dr. MARS of Manchester University, *Manchester Guardian*, May 28, 1952.)

The second and most characteristic form of colonial exploitation, often linked and interwoven with the first, is the direct seizure (plunder in the most thinly legalised form) of the natural resources of the colonial country, minerals, oil, forests, etc., the appropriation of the best land and relegation of the population to overcrowded starvation "reserves," and utilisation of the engine of taxation to force the peasantry to labour at the lowest levels for the profits of the great exploiting companies and traders.

Third, with the development of the export of capital and ruination of the peasantry develops the direct exploitation of wage-labour in the colonial countries—in mines, plantations, railways, docks and light processing industries—at colonial semi-starvation levels of wages and conditions, backed by the armed force of the foreign ruling Power, and extracting enormous rates of profit far exceeding the average rate in the home country.

All these are forms and types of colonial super-profit. The search for colonial super-profit is the essential objective and driving force of the colonial system. The administrative structure, police

and military apparatus, and the endless intricacies of political manoeuvres are the means to maintain and protect the extraction of super-profit by the imperialist monopolies. The tribute passes to the possessing class of the imperialist country. The costs of maintaining the system are imposed on the colonial peoples and on the working people of the imperialist country.

10. *The Great Imperialist Monopolies*

Hence, to see the reality of the Empire as it is to-day, behind all the kaleidoscope of changing outer forms, it is necesary to see above all, and first and foremost, the great imperialist monopolies and combines, i.e. the monopolies and financial trusts which represent primarily British capital, and normally have their headquarters in London, but operate on a world scale, and especially in the countries of the Empire. These imperialist monopolies seldom appear in the fantasies of the constitutional jurists and historians of the Empire. But in practice their operations, through a variety of forms, and often through subsidiary companies, extend through all the countries of the Empire. Often a particular monopoly dominates the economic and political life of a particular colony, like the United Africa Company—a subsidiary of Unilevers—in Nigeria. Not only do they continue to operate, but they continue, even in these days of the "liquidation" of Empire and the "renunciation" of imperialism, to extract gigantic super-profits.

Let us examine a few examples of these monsters (See Table 8).

The picture presented in the table overleaf can only be regarded as a very rough indication and approximation, not as an exact measure. The distinction between companies operating mainly overseas and mainly at home cannot be absolute, although it is sufficiently obvious between a goldmines, oil or rubber group and a breweries, hotels or catering group. The biggest imperialist monopolies have closely interlocked overseas and home interests, e.g. Unilevers. While Unilevers has been included as an example of a gigantic imperialist combine, in view of its dominant interest in so large a proportion of the colonial empire (especially through the United Africa Company), it might be argued that there would be equally as much reason to include Imperial Chemical Industries (capital assets in 1951, £227 million, and gross profits of £54 million) in view of its far-flung interests in the exploitation of Empire countries. Further, the figures themselves are far from an exact measure. The total of ordinary capital and reserves is far from an adequate measure of real assets; and the figure of "gross profits" is only a very partial guide until further analysed (thus the £115 million "gross profits" of Anglo-Iranian in 1950 was *after* putting aside over £32 million for contingent royalty payments which might never be paid). A more exact presentation would require a separate analysis of the accounts

Table 8

IMPERIALIST MONOPOLIES AND SUPER-PROFITS

	Capital Assets in 1951 (Ordinary Capital and Reserves) £ million	*Gross Profits £ million* 1950	*Gross Profits £ million* 1951	*Dividend 1951 Per Cent.*	*Percentage of Profit to Capital Assets in* 1951
I. COMPANIES					
Unilevers	188.5	66.0	70.8	13½	38
Anglo-Iranian	136.0	115.7	75.9	30	56
Royal Dutch-Shell	550.8	190.4	249.5	15 tax free	44
Imperial Tobacco	97.0	27.8	30.2	32	31
P. & O.	87.9	15.2	20.0	16	23
Dunlop Rubber	45.1	17.8	18.2	17½	40
Tate and Lyle	9.7	3.1	3.8	20	39
Total of Seven Monopolies	1,115.0	436.0	468.4		42

(*Sources*: *Economist* and financial Press.)

II. GROUPS OF COMPANIES OPERATING OVERSEAS					
89 Gold mines	244.0	51.0	68.0		28
95 Tin, copper, base metals	109.0	35.0	59.0		54
13 Miscellaneous mines	77.0	20.0	27.0		35
18 Oil companies	345.0	146.0	225.0		65
401 Rubber companies	102.0	12.0	38.0		37
201 Tea companies	53.0	13.0	21.0		40
Total of 817 overseas companies	930.0	277.0	438.0		47
III. HOME INDUSTRIALS					
2,970 Companies	4,227	1,154	1,437		34

(*Source* for Tables II and III: *Financial Times*, January 5, 1952.)

of each combine; and even so the balance sheet would not be found to be couched in a form to facilitate the researches of the student of colonial exploitation.

Nevertheless, even within these limitations, these tables are instructive. They show seven typical major imperialist monopolies, with interests strongly based in Empire exploitation, owning assets measured at £1,113 million, and making gross profits in one year of £468 million, or 42 per cent. of the assets. It is true that a large slice of these profits go to the British Government in taxation; but this is a question of the division of the surplus, not of the size of the surplus. What is taken by the British Government in taxation is still in fact taken by British imperialism in its corporate capacity, and is used to pay the costs of the maintenance of imperialism (for the entire "social services" expenditure in Britain is in fact paid for by the workers: see p. 383.)

Even more instructive is the contrast between the second and third table. On the one hand, 817 companies operating overseas in 1951, primarily in the Empire, made gross profits equivalent to 47 per cent. of their capital assets. On the other hand, 2,970 companies operating mainly in the home country made gross profits equivalent to 34 per cent. of their capital assets. In the difference between these two figures we have a partial indication of colonial super-profit within the general structure of monopoly profits. It is not a scientific measure, since colonial super-profit in practice extends directly or indirectly through the whole range of British capitalism. But if we can take this difference as a rough and ready indication of colonial super-profit, then we can say that the level of monopoly profit of British companies operating mainly overseas at 47 per cent. is thirteen points higher than the level of monopoly profit of companies operating at home at 34 per cent. The overseas rate is 13.34 higher than the home rate. This is equivalent to a rate of super-profit of 38 per cent.

From a different angle an indication of the enormous volume of colonial super-profits drained away from colonial and semi-colonial countries is provided by the official computation that no less than 27 per cent. of the national income of Northern Rhodesia, 17 per cent. of the income of Venezuela, and 13 per cent. of the income of Iran was paid away as interest and profits on foreign investments in 1949 (United Nations Report on *National Income and Its Distribution in Under-developed Countries*, 1951, p. 10).

11. *Technique of Colonial Exploitation*

How does the method of colonial exploitation produce these gigantic super-profits?

Leonard Barnes, in his *Empire and Democracy* (1939), gave a classic example from Northern Rhodesia which displays in a vivid

and simplified form the essence of colonial exploitation. He showed how the output of copper, the main product of the colony, and all of which is sold outside the colony, was worth some £12 million in 1937. Of this £12 million, some £5 million went in dividends to shareholders (all non-residents). Half a million was paid as royalties to the British South Africa Company, "which is quite functionless so far as the copper industry is concerned, but which happens to own all the minerals in the colony by virtue of a so-called treaty made forty years ago with Lewanika, King of the Barotse." On this basis he drew up an approximate income and expenditure account as follows:

Table 9

NORTHERN RHODESIA COPPER INDUSTRY IN 1937

(*Income and Expenditure Account*)

	£		£
By copper exported	12,000,000	To dividends	5,000,000
		" royalties	500,000
		" Income-tax	700,000
		" salaries of 1,690 Europeans	800,000
		" wages of 17,000 Africans	244,000
		" Balance (other costs of operation, maintenance, stores, freight, insurance, etc.)	4,756,000
	£12,000,000		£12,000,000

It will be seen that the wages of £244,000 for 17,000 African workers were equivalent to an average of £14 7s. a year, or 5s. 6d. a week, for each African worker. If we contrast with this figure the £5½ million paid out in royalties and dividends, then this figure of direct profits alone, without taking into account the further sums drawn in taxation and the very high distribution and other charges, concealing additional profits, would amount to a rate of surplus value of over 2,000 per cent.—a very striking demonstration of colonial super-profit.

On this income and expenditure account Leonard Barnes commented:

> "Of the above figures, the £12 million appear in the Customs returns, and may be taken, if you like, as an index of 'the economic development of Northern Rhodesia.' But to speak as though copper-mining had made that sum available for

increasing the social welfare of Africans in the colony shows either too much ingenuousness or too little. In point of fact, African consuming power is directly raised only by what is paid in miners' wages and by that part of European salaries which is spent on hiring domestic servants—say, £350,000 in all.

"Even when all indirect benefits to Africans are taken into account, their gross gain can hardly be put higher than £1 million. And in order to arrive at a net figure expressive of welfare economics, we have to set against the gross figure (*a*) whatever is injurious in the impact of the new economic order on the minds and bodies of the African tribespeople, and (*b*) any net diminution of the food supply of Africans that may be occasioned by the diversion of tribal man-power from agriculture to mining."

He drew the conclusion:

"This account of the copper situation gives the typical pattern of our behaviour, wherever mineral production is concerned. Broadly, we appropriate the natural resources, develop them in our own ways and for our own purposes (ways and purposes which wholly ignore the pre-existing structure and function of African society), and of the wealth so produced carry out of the country £11 for every £1 we leave behind. Many English people like to call the procedure trusteeship, but when they do so, they are perhaps using the term a little loosely."

Let us take another example from the largest direct colony to-day—Nigeria. An authoritative detailed study, published in 1948, showed the following figures for the total accounts of the tin mining industry in 1937:

Table 10

TIN-MINING IN NIGERIA IN 1937

	£
Value of exports	2,496,000
Total profit	1,249,000
Total African wages	329,000
Yearly average number of Africans employed	36,142

(*Mining, Commerce and Finance in Nigeria*, edited by Margery Perham, 1948, pp. 18-19.)

It will be seen from the above that each African tin worker produced a value of £69 tin exported, and received of this £9 2s. 0d. or 3s. 6d. a week, equivalent to less than one-seventh of the value produced. Profits, on the other hand, amounted to £34 11s. 0d. annually per African worker employed, or nearly four times the total amount paid in wages to African workers, equivalent to a rate

of surplus value of 380 per cent. (actually, considerably higher, since this leaves out of account the large sums paid in royalties, taxation, etc.).

Nor should it be imagined that the technique of colonial exploitation applies only to the companies owning mines and plantations, and directly exploiting colonial wage-labour. On the contrary, the majority of the colonial populations are peasants; and they are subjected to the heaviest exploitation of all by the great colonial trading, banking and shipping concerns, and by the whole imperialist machinery of government. Robbed of the wealth of natural resources of their country, they are overcrowded on to the land by the destruction of the old handicraft industries and retardation of modern industrial development, or by segregation on to insufficient native reserves, after the best land has been taken from them. They are ground down by taxation, often expressly devised in order to compel them to labour for their conquerors, and in the majority of cases also by the exactions of the landlords and the moneylenders, who are maintained and protected as satellites of the imperialist rulers. Thus handicapped and burdened they are compelled to labour with the most primitive technique on their tiny plots of land, not to provide for their own needs, but to provide the tribute for their exploiters, while remaining half-starved themselves, and in an increasing proportion turning to the production of cash crops for the great imperialist exporting companies in place of subsistence for themselves. In this way the great mass of the peasantry, who constitute the overwhelming majority of the population in the colonial and semi-colonial countries (seven-eighths of the Empire), are as completely tied to the system of exploitation by the big imperialist monopolies and their state machinery as the direct wage-labourers. And this is to leave out of account the wide prevalence of legally imposed forced labour in the Colonial Empire, as well as the semi-slavery of the indenture system. The consequences lead to increasing pauperisation and ruination of the mass of the peasantry in the colonial and semi-colonial countries, with growing numbers driven into the ranks of the landless proletariat in the rural areas or to join the urban proletariat seeking employment in the ports, mines and railways and subsidiary industries required by the machinery of imperialist exploitation. The deepening agrarian crisis which springs from these conditions is the main driving force of revolution in all colonial and semi-colonial countries.

12. *Social Conditions of the Colonial Peoples*

How do these conditions of colonial subjection and exploitation reveal themselves in the living standards and social conditions of the colonial peoples?

Let us again take the example of the largest direct colony, Nigeria, where we have already examined the enormous rate of super-profit extracted.

In 1948 the British Government sent a Mission to Nigeria to examine the possibility of making Nigeria a source of meat for Britain. The Report of the Nigerian Livestock Commission, published in 1951, revealed some startling discoveries for the meat-hungry British Government on the living conditions of the people of this principal British colony after three-quarters of a century of British rule. The Commissioners found that more than half (51 per cent.) of the children in the Northern Provinces of Nigeria die before they are six.

> "Of the children admitted to hospital under three years of age, 31 per cent. are suffering in one form or another from malnutrition and 41 per cent. of these die. In other words, 13 per cent. of all children under three admitted to hospital die from the effects of malnutrition solely.
>
> "In the over-populated Eastern Provinces... of the children admitted to hospital 70 per cent. suffer from malnutrition of some sort."

Ironic commentary on the hope of the British Government to extract meat from Nigeria for Britain was the discovery that the average consumption of meat per head among Nigerians was under 5 lb. a year (1½ oz. a week), as against 74 lb. per head (nearly fifteen times as much) in meat-hungry Britain in 1948.

> "Milk is almost wholly imported....For the greater part, these importations are consumed in the principal towns and by the European population."

So far from Nigeria offering any prospect of supplying meat for Britain, the Commission concluded that "an agricultural revolution" would be necessary before the people of Nigeria could feed themselves, let alone "contribute to an essential export programme."

In 1948 a House of Commons Select Committee revealed the following grim picture of conditions in Nigeria:

> "In Nigeria, as a whole, there is one doctor for every 133,000 people and one hospital bed for every 3,700 compared with one doctor for every 1,200 people and one hospital bed for every 250 people in the U.K. There are ten dentists. Over 20 million people are living on an agricultural subsistence of a very low order, and malnutrition and disease are widespread. Health statistics for the country are not available. The infant mortality in Lagos is stated to be 110 as compared with 40 to 50 in European countries, and from post-mortem examinations,

together with notifications from private practice, it has been estimated that tuberculosis accounts for 9 to 10 per cent. of all deaths. There are no sanatoria in the country; tuberculosis is treated in ordinary hospitals. There are only three asylums; in every prison a ward is set aside for those suffering from mental disorders. Long waiting lists exist at all hospitals, and in some it is necessary to put patients on the floor. Out of about 8 million children under the age of 16, 660,000 are receiving primary education in various forms. There are about 10,000 children in secondary schools; and technical education is totally inadequate."

(House of Commons Select Committee on Estimates, Fifth Report, 1947-8 Session.)

A report on "Wages of African workers employed by Extra-Territorial Companies in 1938" published in the work on *Mining, Commerce and Finance in Nigeria* (1948) already quoted, shows metalliferous miners receiving an average of 6½d. a day, (with free medical aid and free housing in camps), rubber plantation workers receiving an average of 7½d. a day (with free medical aid and free housing in ranges), and skilled building workers in the Southern Provinces receiving an average of 1s. 3d. a day. Increases in wages won since that date have been more than counterbalanced by the greater increase in prices.

In 1949, following the shooting of Nigerian coalminers at the Government-owned Enugu colliery, who had struck for a basic wage of 5s. 10d. a day, and twenty-two of whom had been shot dead by the police, an official Commission of Enquiry was sent to investigate. The Report of the Commission found that the average wages of skilled Nigerian workers (doing skilled work but graded as unskilled labour) was 3s. to 4s. per day, with only a small section obtaining 4s. 6d. to 6s. In view of the widespread misconception that these murderously low colonial wages are not to be regarded as comparable to European wages, because the costs of living and prices of necessities are erroneously supposed to be lower in a colonial country (an error which is never repeated when it comes to calculating the allowances considered necessary for a White official in a colonial country) it is worth noting that the same Report recorded the retail prices of ordinary foods and clothing on December 14, 1949, at Obwati Market, Nigeria. Some examples may be given:

Food:
Bread, 1s. per 1-lb. loaf.
Rice, 3d. per cup.
Mutton, 1s. 6d. per lb.
Salt, 1d. per cup.
Fish (dried), 2s. 6d. per lb.

Clothing:
Shirts, long sleeves, 12s. 6d. each.
Shirts, short sleeves, 9s. each.
Shoes, leather, 24s. per pair.
Sandals, 16s. per pair.

Miscellaneous:
Kerosene, 4s. 3d. per gallon.
Soap, 1s. 4d. per bar.
Towels, 4s. 9d. each.
Combs, 1s. 6d. each.

(*Report on the Disorders in Nigeria, November,* 1949, Colonial Office, No. 236.)

The Commission found that prices had more than doubled since pre-war, but that wages had only gone up 40-50 per cent.—thus representing a heavy fall in real wages below the terrible levels prevailing before the war.

These conditions could be widely paralleled. Indeed, far worse examples could be quoted from many colonies.

In Malaya the catastrophic fall in real wages is admitted by official statistics. The Federation of Malaya Annual Report for 1949 recorded wage rates, "based on the Wages Commission Report implemented in 1947" (not increased since then) as 100 per cent. above pre-war, as against a rise in the cost of living index by 224 per cent. for Malays and 214 per cent. for Chinese and Indians. Even these official figures reveal a fall in real wages below the miserable pre-war level by over one-third, alongside the enormous boom in rubber and tin profits from Malaya. In fact the fall is much heavier, since the real rise in the cost of living based on the Government index of vital necessaries is between 400 and 500 per cent.

Turn to Jamaica, one of the oldest British colonies. What is the condition of the Jamaican people after three centuries of British rule? Following the hurricane of August, 1950, the Bishop of Jamaica, the Rt. Rev. Montague Dale, who sponsored the appeal for aid, visited Dunghill, one of the slums of Kingston. His visit ended in a part of Dunghill known as "Little Heaven." The local Press reported:

> "His Lordship ranged through the tattoo shacks, some of them the bodies of old motor cars on which cardboard, coconut palms and thin boards are held together with bits of string.
>
> "The Bishop took in the whole ramshackle panorama in a keen sweep, and asked: 'Where's the sanitation?' Hill (Mayor of Kingston) told him laconically: 'There's none'."

(*Jamaica Daily Express,* August 30, 1950.)

The report described the inhabitants as "having their faces haunted with hunger" and being "depressed below the living standard of animals." Of Jamaica's population of 1,340,000, no less than 200,000 were estimated to be unemployed in 1951, with many more seriously under-employed. The local journal, *Public Opinion*, of January 27, 1951, reported during the month of January, 1951, over 100 deaths from the notorious "vomiting sickness," described by Professor Hill of the University of the West Indies as "just plain starvation."

Nor are these conditions confined to the direct Colonial Empire. They apply equally to semi-colonial countries like India or Egypt.

In India the average minimum wage of unskilled workers in 1950 as revealed by Industrial Tribunal Awards during the second quarter of 1950, ranged around 25 to 30 rupees a month, or roughly 8s. to 10s. a week. Hyderabad textile workers, receiving a minimum basic wage of 25 rupees a month, were awarded a cost of living bonus of 8 rupees, making a total of 33 rupees a month, equivalent to 11s. a week.

> "The minimum wage rate for making 1,000 *bidis* varies from Rs. 1-2-0 (1s. 8d.) to Rs. 1-4-0 (1s. 10d.) in Madhya Pradesh, while it is fixed at Rs. 1-4-0 in Madras. The proposed minimum wage for the least paid workers in oil mills and rice, flour and dal (lentils) mills in Madras is Rs. 0-12-0 (1s. 1½d.) per day while it amounts to Rs. 0-14-0 (1s. 4d.) in public motor transport. In a cotton mill in Sangli (Bombay) the basic minimum wage was fixed at Rs. 18-11-0 (28s. or 6s. 3d. a week) and in a unit in Hyderabad it was fixed at Rs. 25 (37s. 6d., or 8s. 4d. a week)."

(Published in *Indian Labour Gazette*, November, 1950: English equivalents inserted.)

Similarly, in Egypt the American *Middle East Economic Service* for August, 1950, published the latest available figures for wages of Egyptian workers as £4 15s. 10d. per month, or 21s. 3d. a week. This covers 1945, as no later figures were available. The journal quoted states:

> "Nominal wages are now higher in local currency, but real wages have declined considerably. The increase in wages did not keep pace with the rising prices and cost of living."

This applies to all the colonial and semi-colonial countries. Real wages have fallen, while profits have been forced upwards still higher.

On living conditions in Egypt the *Sunday Times* reported on January 8, 1950:

> "The poor live in hovels and toil for a pittance under the

burning sun, with shocking death rates and disease rates. One disease alone, bilharzia, due to a parasite in the blood, affects a terribly high proportion of the Delta peasants, reducing their human capacity for all purposes, including soldiering."

The Times reported on September 29, 1950, that of every seventeen persons called up for the Army in Egypt, sixteen were found unfit on medical grounds.

Two illusions common among apologists of imperialism need to be guarded against, when considering the appalling living conditions of the peoples in all colonial and semi-colonial countries.

The first illusion—or casuistical argument—is, in relation to the semi-colonial countries, such as the Middle Eastern countries or India, to endeavour to shelve the responsibility of imperialism by throwing all the blame on the shoulders of the so-called "sovereign" governments established by imperialism in these areas and the corrupt upper classes which are their social basis. It is true that the upper classes in these countries—the feudal princes and chiefs and pashas, big landlords, and traders, budding capitalists and speculators allied with imperialism—are in general most corrupt and shameless exploiters and oppressors of their peoples. But in fact they are only the *second-class* or subordinate exploiters, the satellites, parasites and proteges of imperialism, operating under its aegis and protection. It is imperialism that has already devastated and impoverished these countries, and continues to do so, and that maintains and upholds these subordinate local exploiters as its allies and social mainstay against popular revolt. The primary responsibility of imperialism cannot be shelved in these countries. And, indeed, the close parallelism of the low living conditions in these countries with those in the directly administered colonial countries shows the basic identity of the key factors operating.

The second illusion with which the apologists of imperialism seek to console themselves is to lay the flattering unction to their souls that these terrible conditions are "only" the absolute bad conditions of backward undeveloped and poverty-stricken countries, irrespective of the colonial system; and that imperialism, so far from being responsible, is bringing gradual, but continuous, improvement and upward advance. The contrary is the truth. The picture of the colonial system is a picture of continuous social and economic *deterioration* of all countries brought within its orbit. This deterioration is the inevitable consequence of the operation of the colonial system. No well-meant intentions of would-be progressive imperialist legislators, filling the air with high-sounding talk of their "Development and Welfare" schemes, Colombo Plans or Point Four, can avail to arrest or avert it, so long as the system of colonial plunder, of the extraction of super-profit, continues to operate.

The truth of this deterioration can be most powerfully demonstrated in the case of India, the principal sphere and classic ground of the colonial system over two centuries. India in the seventeenth century was regarded with awe and admiration by European traders and travellers as in the front rank of technical and cultural development on the world scale. By the twentieth century it had descended to its present level of relative technical backwardness and a world slum. The evidence of this deterioration has been set out in detail in my previous book, *India To-day*, to which reference must be made in order to avoid repetition here. In the case of Africa, some of the testimony to the decline of African physique in the colonial era will be found on pp. 182-3.

What is especially important, however, for the present situation is not merely the *general* deterioration brought about over decades by the colonial system in all countries in which it operates. What is immediately important is that in the most recent period this deterioration has markedly *accelerated*. In all colonial and semi-colonial countries without exception wages have failed to keep pace with the rapid rise in prices since the onset of the second world war; real wages have fallen even below the appalling low levels of before the war. In all colonial and semi-colonial countries without exception the agrarian crisis is deepening. This sharpening deterioration is in marked contrast to the epoch-making rapid rise in living standards and social conditions, technical and industrial development, and health, educational and cultural levels within three decades in the former most backward colonies of Tsarism, now the Central Asian Soviet Republics. Some of the record of this advance is examined in a later chapter. This contrast makes the present grinding poverty, enforced backwardness and worsening conditions the more intolerable to all colonial peoples.

It is against these conditions of political subjection and economic and social deterioration that all colonial and semi-colonial peoples are rising in revolt. This revolt is changing the face of the world, and is bringing the most far-reaching consequences for the traditional imperialist economy of the ruling countries, and especially for Britain.

CHAPTER III

HOW THE EMPIRE DEVELOPED

"In carrying out this work of civilisation we are fulfilling what I believe to be our national mission, and we are finding scope for the exercise of those faculties and qualities which have made of us a great governing race. ....No doubt, in the first instance, when these conquests have been made, there has been loss of life among the native populations, loss of still more precious lives among those who have been sent out to bring these countries into some kind of disciplined order, but it must be remembered that this is the condition of the mission we have to fulfil."

JOSEPH CHAMBERLAIN, Colonial Secretary, speech at the Royal Colonial Institute dinner, March 31, 1897.

HALF a century ago Joseph Chamberlain admonished Englishmen to "think imperially." English patriots were denounced as "Little Englanders." England was to be merely the base for the great cosmopolitan money-making interests whose aim was to extract millions from the goldfields of the Rand, the rubber of Malaya or the tin of Nigeria, while leaving the slums to rot in the East End, the fields of England to pass out of cultivation, the looms of Lancashire to become obsolete and great industrial areas of the North East, Scotland and Wales to become derelict. To-day we are experiencing the outcome of this programme.

Britain's colonial system is older than British capitalism. But the Empire of to-day is mainly a modern growth, and the cult of Empire dates from the later years of the nineteenth century.

Already before the era of capitalism the feudal monarchy pursued its wars of territorial conquest in Ireland and Wales, and its predatory expeditions of extra-European aggression in the Middle East. "Ireland was the first English colony," wrote Engels in 1856, and continued:

"The country has been completely ruined by the English wars of conquest from 1100 to 1850 (for in reality both the wars and the state of siege lasted as long as this)."

(ENGELS, letter to Marx, May 23, 1856.)

Indeed, the wars of colonial suppression in Ireland were to continue longer—as the ruthless crushing of the Easter Rising in 1916, with the murderous execution of the socialist patriot, James Connolly, and the subsequent "Black and Tan" Wars of 1919-22 demonstrated. Ireland was in effect reduced to colonial status before the earliest onset of the era of capitalism, and after eight and a half centuries has still to win complete national liberation with the ending of the enforced partition and British military occupation and maintenance of a satellite Government in the North.

But the colonial system of Britain developed mainly in close association with the development of capitalism at each stage. The principal stages of development of capital have seen corresponding stages of development of the colonial system.

1. *The Early Colonial Era*

The foundations of Britain's extra-European colonial expansion date from the second half of the sixteenth century, that is, from the beginning of the capitalist era.

It is true that the first expeditions of exploration, trading adventure and attempted colonial conquest go back to the end of the fifteenth century. It was in 1496 that John Cabot, the discoverer of Newfoundland, was given his royal patent by Henry VII to "subdue, conquer and possess" the foreign lands which he might discover; and he was further authorised to "sail under the royal flag, and to set up the king's banner as his officers." In 1497 Cabot did unfurl the royal banner on Cape Breton Island, and in solemn form took possession of the country in the name of King Henry VII. From Cabot's two voyages in 1497 and 1498 originated Britain's claim to the mainland of North America by right of discovery. But in practice Cabot's initiative was not immediately followed up, and no colonial possession resulted.

Similarly in 1501 Henry VII granted a patent to Bristol merchants to settle colonies in newly discovered territories; and in 1505 a charter was granted to the Company of Merchant Adventurers.

But the first acquisition by Britain of colonial territory outside Europe was the annexation of the Bahamas by Sir Humphrey Gilbert in 1578. Already by 1562 the first slave-trading expedition of John Hawkins had ravaged Sierra Leone and sailed away with a cargo of Negro slaves. By the fifteen-seventies the conception of the advantages of a colonial system was widely publicised. Sir Humphrey Gilbert, who had had experience of ruling a subject people as Governor of Munster, published in 1576 his *Discourse to prove a passage by the North West to Cathaia and the East Indies,*

in the course of which he set out the advantages of establishing colonial settlements (to be inhabited by dispossessed proletarians and ex-convicts from Britain):

> "We might inhabit part of those countries, and settle there such needy people of our country which now trouble the commonwealth, and through want here at home are forced to commit outrageous offences, whereby they are daily consumed with the gallows."

Such colonies, he pointed out, would provide a market for the large production of English cloth, and facilitate the development of new industries in Britain to supply articles suitable to the needs of Eastern nations, thus ensuring full employment in Britain "for vagabonds and such-like idle persons." Although the conception of colonies here set out is based on settlement (with the assumed expulsion or extermination of the original inhabitants), and not yet on the subjugation and direct rule of extra-European peoples, the characteristic flavour of the arguments of the champions of the colonial system is already fully present.

In 1583 Sir Humphrey Gilbert took possession of St. John's Harbour, Newfoundland, and adjacent territory, and proclaimed the English sovereign's authority and jurisdiction over it. On this basis Newfoundland is commonly claimed as "the first English colony", and 1583 as the starting point of Britain's colonial empire, by the conventional historians of the British Empire, who prefer to overlook Ireland. In 1585 Sir Walter Raleigh established the first colony in Virginia. In 1600 the first East India Company received its Charter. In 1612 the first English settlement in India, initially a trade depot, was established at Surat, to be followed by Fort St. George (Madras) in 1639 and Bombay in 1662.

This period of early colonial expansion was the period of the "Merchant Adventurers," of freebooting and plundering expeditions, of the slave trade, of the establishment of trading stations, of privileged monopoly trading companies, of the conquest of newly discovered overseas territories, extermination of the original inhabitants and establishment of colonial settlements by migration.

The colonial system before the Industrial Revolution, first under the Tudor and Stuart monarchies, then under Cromwell, the Restoration and the eighteenth century oligarchy of the earlier phase, sought to keep a tight hold on the colonies, regarding them as a direct source of wealth for the home country, through the importation of precious metals and colonial products, while sending the minimum of goods in exchange. This was the "old colonial system" which was denounced by the new school of economists, represented by Adam Smith, ushering in the new era of industrial capital and *laissez-faire.*

The "old colonial system" provided the main basis for the primary accumulation of capital, alongside the expropriation of the peasantry within Britain, which made possible the rapid development of capitalism in Britain. Marx wrote:

> "The discovery of gold and silver in America, the extirpation, enslavement and entombment in mines of the aboriginal population, the beginning of the conquest and looting of the East Indies, the turning of Africa into a warren for the commerical hunting of black-skins, signalised the rosy dawn of the era of capitalist production. These idyllic proceedings are the chief momenta of primitive accumulation....
>
> "The colonial system ripened, like a hothouse, trade and navigation....The treasures captured outside Europe by undisguised looting, enslavement and murder, floated back to the mother country and were there turned into capital."
>
> (MARX, *Capital*, I, ch. xxxi.)

2. *The Era of Industrial Capital*

The Industrial Revolution of the second half of the eighteenth century and the early nineteenth century was thus prepared and stimulated on the basis of colonial spoliation, and especially the spoliation of India (see the present writer's *India To-day*, ch. v, § 2, "India and the Industrial Revolution").

Britain became the workshop of the world. Raw materials were drawn from all over the world. The products of British machine industry dominated the markets of every country. British shipping, under the protection of the British Navy, dominated world trade. The old colonial monopoly developed to world industrial monopoly.

> "The bourgeoisie, by the rapid improvement of all instruments of production, by the immensely facilitated means of communication, draws all, even the most barbarian nations, into civilisation. The cheap prices of its commodities are the heavy artillery with which it batters down all Chinese walls, with which it forces the barbarians' intensely obstinate hatred of foreigners to capitulate....Just as it has made the country dependent on the towns, so it has made barbarian and semi-barbarian countries dependent on the civilised ones, nations of peasants on nations of bourgeois, the East on the West."
>
> (MARX and ENGELS, *Manifesto of the Communist Party*.)

Britain's nineteenth-century world industrial monopoly brought in this way a new phase of the colonial system.

On the one hand, countries such as Canada and Australia, where

settlers from Britain had established themselves on the basis of extermination of the original inhabitants, developed as auxiliary capitalist branches of the British metropolis, subsidiary to the British manufacturing centre, supplying raw materials and receiving British manufactured goods, but entering on the path of their own bourgeois economic development, eventually to become the virtually independent Dominions.

On the other hand, in the conquered and enslaved colonial countries, such as India, the West Indies and the African colonies, where the British appeared as alien rulers and traders, the old basis of tribute and exploitation continued, but became subordinate to the new basis of relations, whereby the colonies served as sources of cheap raw materials, furnished either through the plantation system or by peasant labour under semi-starvation conditions, and as markets for British goods. The influx of British manufactured goods spread ruin among the native handicraft industries. The bones of the weavers, wrote the Governor-General of India in 1834, are bleaching the plains of India.

In this era of Britain's nineteenth century industrial supremacy the unchallenged domination of British machine industry appeared able to break down every obstacle in all countries, not only in countries directly ruled by Britain, but also in foreign countries independent of Britain. This superior economic power, which found its expression in the doctrines of *laissez-faire* and free trade, seemed so invincible, to the new ruling class representatives of the British manufactures that conceptions began to gain currency during the middle nineteenth century which dismissed the whole colonial system as a superfluous extravagance and an obsolete relic. Marx wrote of the Manchester school of Cobden and Bright:

> "The Free Traders (the men of the Manchester School, the Parliamentary and Financial Reformers) are the *official representatives of modern English Society*, the representatives of that England which rules the markets of the world....
>
> "The struggle of this part against the old English institutions, products of a superannuated, an evanescent stage of social development, is resumed in the watchword: *Produce as cheap as you can, and do away with all the faux frais of production* (with all superfluous, unnecessary expenses in production).... The nation can produce and exchange without royalty; away with the Crown. The sinecures of the nobility, the House of Lords? *Faux frais* of production. The large standing army? *Faux frais* of production....National wars? *Faux frais* of production. England can exploit foreign nations more cheaply while at peace with them."
>
> (MARX, "England: The Chartists," *New York Daily Tribune*, August 25, 1852.)

These new conceptions influenced also Toryism and official circles. Disraeli, in 1852, described "these wretched colonies" as "a millstone round our necks." Herman Merivale, Permanent Under-Secretary for the Colonies from 1848 to 1860, laid down the principle:

> "With the colonial trade thrown open and colonisation at an end, it is obvious that the leading motives which induced our ancestors to found and maintain a colonial empire no longer exist."

Another Colonial Office official, Sir Henry Taylor, in 1864 referred to the British possessions in America as "a sort of *damnosa haereditas*." Similarly Bismarck wrote to Von Roon in 1868:

> "All the advantages claimed for the Mother Country are for the most part illusions. England is abandoning her colonial policy; she finds it too costly."

This short phase of fashionable anti-colonial theories did not prevent in practice the continuance of colonial aggression and conquest also through the middle decades of the nineteenth century. Warships and guns were still found useful to batter a way into markets.

In 1840 the First Opium War, conducted in the name of the sacred right of the East India Company to poison the Chinese with opium ("foreign mud," as the Chinese called it), served to open China to trade, and extracted from the Chinese authorities as a punishment for their resistance to the blessings of opium the cession of Hong Kong—the "legal right" which Labour Ministers claimed as the justification for their military measures to endeavour to hold on to Hong Kong. Cobden and Bright zealously supported the suppression of the Indian Revolt in 1857. Aden was annexed in 1839; New Zealand in 1840; Natal in 1843; Sind in 1843; the Punjab by the Sikh campaigns of 1845 and 1848; Burma in 1852.

3. *The Advent of Modern Imperialism*

But it was the Great Depression of the eighteen-seventies when for the first time Britain's export supremacy began to weaken before the advance of new industrial rivals, which ushered in the new phase of the extending export of capital and scramble for new colonial acquisitions, preparing the way for the twentieth-century era of imperialism.

During the last quarter of the nineteenth century Britain lost industrial supremacy, first to the United States, and then to Germany. In 1880 British steel output stood at 1.3 million tons, American at 1.2 million and German at 700,000. By 1900 American steel output

had reached 10.2 million tons, German 6.4 million and British 4.9 million. By 1913 American steel output had reached 31.3 million tons, German 18.9 million, and British 7.7 million.

Britain still maintained the first position in the export of manufactured goods, but with a lessening proportion. Between 1880-84 and 1900-04 British exports of manufactures increased 8 per cent., German 40 per cent. and American 230 per cent.

But in the sphere of the export of capital and colonial expansion Britain led the way.

Between 1884 and 1900 Britain acquired 3,700,000 square miles of new colonial territories. By 1914 the British Empire covered 12.7 million square miles, of which the United Kingdom represented 121,000 or less than one-hundredth part, the self-governing Dominions 7 million, and the colonial or dependent empire 5.6 million, or forty-six times the area of the United Kingdom. *Thus the greater part of the dependent empire was acquired after* 1884. The population totalled 431 millions, of which the White self-governing population of Britain and the Dominions totalled 60 millions, or under one-seventh. The imperialist world war of 1914-18 brought the further acquisition of one and a half million square miles. By the eve of the second world war the British Empire, protectorates and dependencies covered one quarter of the earth's surface and one quarter of the world's population.

Between the 1850s and 1880 British capital invested abroad multiplied five times from £200 million to £1,000 million. By 1905 it had doubled again to reach £2,000 million. By 1913 it had doubled again, and reached close on £4,000 million. At the close of the century, in 1899, Sir Robert Giffen estimated the total profits from foreign trade at £18 million, and the total income from foreign investments at £90 million. By 1912 the income from foreign investments had reached £176 million, and by 1929 £250 million.

The era of industrial capital had given place to the era of finance-capital. Britain had lost industrial supremacy to become the great usurer and colonial exploiter, sucking tribute from all over the world.

Since the first world war, and especially since the second world war, Britain's position as the dominant overseas capital exporter and holder of overseas capital investments has been progressively weakened. This is the characteristic economic feature of the present deepening crisis of British imperialism. But this does not mean that Britain's role as world usurer and colonial exploiter has yet come to an end.

The widespread myth that Britain liquidated all its overseas securities during the second world war in order to obtain the necessary dollars for the war effort is a considerable exaggeration of the real picture. In fact a little under one third were liquidated. The total holdings fell from £3,535 million in 1938 to £2,417 million

by the end of 1945, according to the Bank of England survey published in 1950, or a drop of 31.6 per cent.

During the years following the war the principal concentration of British policy has been directed, even at the expense of home shortage, to endeavour to resume the export of capital and rebuild Britain's overseas capital accumulation. In the course of the five years from 1947 to 1951 (inclusive) new capital investment by Britain in the rest of the sterling area amounted to £996 million. A large proportion of this new investment by Britain was achieved on the artificial basis of simultaneous forced loans from the colonies, since during the same period the sterling balances of dependent overseas countries rose by £469 million.

By 1948 the Bank of England was able to estimate the total of Britain's overseas capital investment to have reached a figure of close on two thousand million pounds, the majority being placed in the Empire.

Table 11

BRITISH OVERSEAS INVESTMENTS IN 1948

	1948 £ *million*
Total British overseas investments	1,960
In the Colonies and Dominions	1,111
In non-Empire countries	849

(*Bank of England Survey*, October, 1950.)

The proportion in the Empire was 56.6 per cent. This estimation of direct overseas investments does not take into account the capital of the big monopolies and trusts centred in London, but operating mainly in the Empire and drawing the greater part of their income from the Empire.

By 1950 the United Kingdom balance of payments was able to show a net income from overseas interest, profit and dividends amounting to £126 million, and a net "invisible" items income from overseas of £404 million. This was sufficient to offset an adverse balance of visible trade amounting to £146 million, and leave a net surplus of £258 million. However, the precarious character of this "recovery" and this surplus was abundantly revealed in 1951, when the deficit on the balance of payments returned and reached a new high level of £461 million.

The basis of tribute has weakened, and is further weakening. But the tribute has not yet come to an end.

CHAPTER IV

PRICE OF EMPIRE

"The thorns which I have reaped are of the tree
I planted; they have torn me, and I bleed.
I should have known what fruit would spring from such a seed."

BYRON.

ACROSS three-quarters of a century of experience it is possible to see the outcome of the new imperialist system which was built up in the later decades of the nineteenth century and early twentieth century to replace Britain's lost industrial supremacy. The final harvest is being reaped in the present crisis; but the heavy cost was already making itself felt over the intervening years.

1. *Imperialism as the Alternative to Socialism*

The new imperialist expansion was acclaimed by sponsors as the solution to the dilemmas of British capitalism, after the breakdown of the mid-nineteenth century free-trade illusions of continuously advancing industrial and commercial supremacy and infinite unchecked progress.

With the loss of Britain's industrial world monopoly the possibilities of progressive capitalist development in Britain had reached exhaustion. The objective conditions had ripened for the advance to the socialist organisation of society as the only progressive path forward. Socialist agitation arose anew in Britain from the eighteen-eighties, with the formation of the Social Democratic Federation, which later merged into the Communist Party. The modern labour movement derives from the work of the early socialist pioneers of the eighteen-eighties.

Already in 1885 Engels had shown how "the manufacturing monopoly of England is the pivot of the present social system in England," and that "with the breakdown of that monopoly the English working class will lose its privileged position" and "there will be Socialism again in England." The new challenge of socialism

to the old class system was raising alarm in the hearts of the ruling class by the last quarter of the nineteenth century.

The champions of the new imperialism, Disraeli, Chamberlain and Rhodes, were consciously directing their efforts to meet and defeat the rising challenge of the working class and socialism.

Lenin has quoted the words of Cecil Rhodes in 1895:

> "I was in the East End of London yesterday and attended a meeting of the unemployed. I listened to the wild speeches, which were just a cry for 'bread', 'bread,' 'bread,' and on my way home I pondered over the scene and I became more than ever convinced of the importance of imperialism......My cherished idea is a solution for the social problem, i.e. in order to save the 40,000,000 inhabitants of the United Kingdom from a bloody civil war, we, colonial statesmen, must acquire new lands to settle the surplus population, to provide new markets for the goods produced by them in the factories and mines. The Empire, as I have always said, is a bread-and-butter question. If you want to avoid civil war, you must become imperialists."

Similarly Joseph Chamberlain in 1895, as soon as he became Colonial Secretary, defined his policy:

> "I regard many of our colonies as being in the condition of undeveloped estates, and estates which can never be developed without Imperial assistance."
>
> (JOSEPH CHAMBERLAIN, House of Commons, August 22, 1895.)

> "The policy of the Government will be to develop the resources of such colonies to the fullest extent; and it is only in such a policy of development that I can see any solution of those great social problems by which we are surrounded."
>
> (JOSEPH CHAMBERLAIN, reply to deputation on West African railways, *Times*, August 24, 1895.)

More than half a century later the same basic conception of colonial development as the grand secret of social progress, first expounded by the notorious buccaneering leader of the most aggressive Tory imperialist expansion at the end of the nineteenth century, was being proclaimed afresh in almost identical language by "Socialist" Cabinet Ministers as a new discovery and the expression of the latest wisdom.

Once again in 1896 Chamberlain proclaimed the new imperialism as the only means to save Britain from hunger:

> "To-day no one contests any longer the enormous advantages of a unified Empire, keeping for ourselves the benefit of

trade which at the present time is actually a benefit to foreigners. Believe me, the loss of our domination would weigh first of all on the working classes of this country. We should see chronic misery let loose. England would no longer be able to feed her enormous population."

(JOSEPH CHAMBERLAIN, quoted in Victor Berard, *British Imperialism and Commercial Supremacy*, 1906, pp. 51-2.)

Thus the millionaire exploiters cynically presented the Empire as the indispensable economic basis for saving the British working class from starvation (actually, from socialism). This is the continuous central theme of modern Tory imperialist "democracy," which has been taken over by Labour imperialism. In the same way Winston Churchill as Chancellor of the Exchequer in 1929 no less cynically proclaimed the imperialist basis of world tribute from overseas investment as the indispensable foundation for the maintenance of social services for the imperialist proletariat:

"The income which we derive each year from commissions and services rendered to foreign countries is over £65 million. In addition, we have a steady revenue from foreign investments of close on £300 million a year....That is the explanation of the source from which we are able to defray social services at a level incomparably higher than that of any European country or any country."

(WINSTON CHURCHILL, Budget speech, April 15, 1929.)

And again Lord Cranborne, as Dominions Secretary, in 1943 drove home the same moral:

"Those who could not look beyond their personal interests should remember that their employment and standard of living depended mainly on the existence of the Empire."

(*Daily Telegraph*, October 23, 1943.)

From this it is no far cry to the declaration of Mr. Bevin, as Labour Foreign Minister, in 1946:

"I am not prepared to sacrifice the British Empire because I know that if the British Empire fell....it would mean the standard of life of our constituents would fall considerably."

(ERNEST BEVIN, House of Commons, February 21, 1946.)

The profound falsity of this line of argument, as is powerfully demonstrated by events to-day, will be examined later. For the moment, it is important to establish the fact of this imperialist basis of the current economic, social and political structure in Britain,

and the conscious conception and policy expressed by the leaders of all the ruling parties during this period.

Such, then, is the British imperialist economy which has been built up over the past three-quarters of a century to replace the lost industrial world monopoly. It is on this basis that the boasted modern imperialist "democracy" has been built, like the old Athenian slave-owning democracy, as a "democracy" run by slave-owners of empire, ruling a majority of subject colonial peoples, and in practice holding subject also the masses in the metropolitan countries.

2. *Balance Sheet for Britain*

What have been the consequences of this imperialist economy for the people?

For the colonial peoples it has meant a regime of plunder of their resources and labour, extraction of gigantic monopoly profits without return, degradation of their living conditions, and intensive exploitation and oppression, against which they are to-day in revolt. Some picture of these conditions has been given earlier.

But for the masses of the British people has the Empire brought the benefit which is claimed by the big monopolists and their spokesmen, who endeavour to present the domination and exploitation of other peoples as a source of social and economic benefit for the British people?

On the contrary. The crumbs of a share in the spoils with which the imperialist exploiters seek to bribe the working class into acquiescence, and thus to hold off the advance of socialism, have been far outweighed by the consequent burdens, disorganisation of economy, arrest of progressive development, ruinous military exactions, colonial wars and imperialist wars, and deepening crisis and decay at home.

> "We ask you to consider who it is that have to do the fighting on this and similar occasions. Is it the market-hunting classes themselves? Is it they who form the rank and file of the army? No! but the sons and brothers of the working classes at home. They it is who for a miserable pittance are compelled to serve in these commercial wars. They it is who conquer for the wealthy middle and upper classes, new lands for exploitation, fresh populations for pillage, as these classes require them, and who have as their reward that they are 'nobly fighting for their Queen and country.' "
>
> (Manifesto of the Socialist League on the Sudan War, signed by WILLIAM MORRIS, ELEANOR MARX AVELING and others, March 2, 1885.)

The price of imperialism for the British people is not only written in the heavy record of blood, of ceaseless wars and the burden of armaments. It is also written in the increasingly disastrous social and economic consequences for Britain's productive development, and for the conditions of life of the mass of the people. This price is becoming demonstrated ever more sharply in Britain's present crisis.

The imperialist economy of Britain is a parasitic economy. It is increasingly dependent on world tribute for its maintenance. By the eve of the first world war close on two-fifths of British imports were no longer paid for by exports of goods; and this proportion had risen still higher by the eve of the second world war. The imports surplus, or adverse balance of visible trade, rose from £30 million in 1855-9 to £134 million in 1913, to £302 million in 1938, and £425 million in 1947. By 1951 it had soared to a total of £779 million.

This imports surplus was covered in the first phase of imperialist development by the overseas income from foreign investments, financial commissions and shipping. But in the later phase, as the home decay consequent on this parasitism developed further, even the overseas income could no longer cover the unpaid imports. A net deficit in the balance of payments began to appear from the beginning of the 'thirties, following the world economic crisis. During the eight years from 1931 until 1938 only one year (1935) showed a small surplus on the balance. By 1938 the deficit on the balance of payments reached £70 million. Over the whole eight years 1931-38 the aggregate net deficit on Britain's balance of payments totalled £270 million. Thus the problem of the deficit of the balance of payments did not arise following the second world war. It developed throughout the decade preceding the second world war. The symptoms of mortal sickness of Britain's imperialist economic system had already manifested themselves before the further blows of the second world war. Hence the inadequacy of the shallow conventional explanations commonly given by the dominant political leaders and economic "experts" (whether Conservative or Labour imperialist), who seek to "explain" Britain's crisis as a consequence of the second world war and of Britain's sacrifices in the second world war. The mounting aggregate of Britain's deficit on the balance of payments during the 'thirties revealed that, in place of the previous continuous accumulation of overseas capital, a process of *disaccumulation* had begun.

The second world war, with its expenditure of nearly one-third of overseas capital assets, enormously accelerated this process. The deficit on the balance of payments reached £344 million in 1946, and £545 million in 1947. After all the drastic emergency measures taken since then, and a temporary false "recovery" during 1949-50, the deficit rose again to £461 million in 1951. The net aggregate

deficit of £270 million during the eight years 1931-38 had become a net aggregate deficit of £1770 million during the seven years 1945-51. The long-term line of development over these past twenty years indicates that, whatever the particular fluctuations from one year to another, this deficit is a symptom of the unbalanced situation of Britain's economy, and remains a chronic unsolved dilemma of British capitalism to-day.

Thus the imperialist basis of economy, to which the fortunes and existence of the British people have been committed in the modern era, is an unsound, unstable, mortally sick basis, leading to chronic crisis.

But the adverse consequences for the British people are not only revealed in Britain's external economic relations, and the resultant impact of crisis conditions on the British people. They are also revealed in the direct home consequences, the retarding of home productive development, and neglect of home economic and social needs.

The direction of capital investment and accumulation more and more overseas, to win the colossal super-profits of colonial exploitation, and consequent increasing parasitic dependence on overseas tribute, led to the neglect and decay of home industry and agriculture. When dividends of one hundred per cent. could be obtained from the exploitation of cheap colonial labour, there was no attraction to carry through technical re-equipment or modernisation of British industry or programmes of social development at home.

> "Resources were turned towards foreign investment rather than to the rebuilding of the dirty towns of Britain, simply because foreign investment seemed more remunerative."
>
> (J. H. CLAPHAM, *Economic History of Modern Britain*, chap. iii, p. 53.)

Agriculture was allowed to fall into decay. Between 1871-5 and 1939 the arable area of Britain fell from 18.2 million acres to 11.8 million, or a drop of one-third. The area under crops fell from 13.9 million to 8.3 million, or a drop of two-fifths. The area under wheat fell from 3.5 million to 1.7 million, or a drop of one-half. This imperialist wrecking of British agriculture is costing a heavy price to-day, when desperate efforts have to be made to recover lost ground in order to grow needed food at home. Under the extreme stress of war the wheat area was temporarily raised to 3,280,000 acres by 1943; but had fallen again to 2,070,000 acres by 1951.

British industry was allowed to fall behind. Britain, which had been the workshop of the world in the mid-nineteenth century, became more and more the home of obsolete equipment relative to the more advanced technical industrial level in America and

Germany. Recent estimates have shown how the superiority of American industry is based on mechanical equipment, measured in terms of horse-power per worker three times the British level. This disparity has increased since the second world war.

This decline was marked already from the first approach towards the imperialist era in the 'eighties, and especially with full development of modern imperialism in the twentieth century during the years before the first world war. The coal industry, wrote Professor Clapham, became "worse than stagnant in efficiency since before 1900." Textiles have had to make do with machinery which has become notoriously more and more obsolete in the majority of factories. In the iron and steel industry Professor Clapham recorded that "there was no fundamental improvement in the blast-furnace and its accessories between 1886 and 1913." "The industry in Great Britain has lagged behind the rest of the world both absolutely and relatively" (Burnham and Hoskins, *Iron and Steel in Britain*, 1870-1930, 1943, p. 70).

In the era between the two world wars this deterioration and decay of British industry and agriculture went forward at an accelerating pace. Coal production fell from 287 million tons in 1913 to 230 million in 1938; the number of pits was brought down from 3,267 in 1913 to 2,125 in 1938. In textiles between 1920 and 1935 fourteen million spindles were destroyed. One-third of British shipyards were closed down; between 1918 and 1938 British ship-building capacity was reduced from three million tons annually to two million tons. In agriculture between 1918 and 1939 over two million acres were allowed to pass out of cultivation, the decrease in arable land being over four million acres; and the proportion of the cultivable land under crops fell from 38 per cent. in 1918 to 28 per cent. by 1939. In 1936 Sir George Stapleton, the leading agricultural scientist, stated that there were about 16¼ million acres of land in a more or less neglected condition, and most of it absolutely derelict; while every single acre of this enormous area, representing two-fifths of the land surface of England and Wales, was capable of radical improvement. Former leading industrial areas became derelict areas.

While the basic industries and agriculture thus passed into decay in the imperialist era, the secondary and luxury industries and services, appropriate to a parasitic *rentier* economy, swelled and boomed. Between the decade 1904-13 and the five-year period 1924-8, the annual average of capital issues for the basic industries fell by half from £41.7 million to £21.4 million, while those for breweries more than doubled, from £6 million to £15 million, and those for hotels, theatres, etc., nearly trebled, from £7.1 million to £20.4 million. The proportion of the population engaged in production in the basic industries fell from 23 per cent. in 1851 to 13.6 per cent. in 1929; the numbers engaged in commercial and financial

operations, distribution, office employment and all manner of "services" rose continuously, thus giving rise to the legend of the "new middle class" as a sign of rising prosperity. By 1937 this degeneration had reached such a pitch that the *Economist* (November 20, 1937) could describe "foreign investment" as "the nation's greatest single industry."

3. *Outcome for the British Labour Movement*

This growth of parasitism and relative weakening of the productive working class in industry had its harmful consequences also on the development of the labour movement. Marx and Engels had already shown in the nineteenth century the connection between Britain's world monopoly and colonial empire and the corruption of the upper section of the working class, stifling the original revolutionary impulse of Chartism and leading to the retarded and distorted development of the labour movement.

In the period of the still dominant and triumphant industrial world monopoly of Britain in the mid-nineteenth century Engels wrote in a letter to Marx in 1858:

> "The English proletariat is becoming more and more bourgeois, so that this most bourgeois of all nations is apparently aiming ultimately at the possession of a bourgeois aristocracy and a bourgeois proletariat as well as a bourgeoisie. For a nation which exploits the whole world this is of course to a certain extent justifiable."
>
> (ENGELS, letter to Marx, October 7, 1858.)

With the onset of the new policies of rapid and aggressive colonial expansion in the eighties, Engels wrote in a letter to Sorge in 1889:

> "You ask me what the English workers think of colonial policy? Exactly the same as they think of politics in general, the same as what the bourgeois think. There is no workers' party here; there are only Conservatives and Liberal-Radicals; the workers merrily share the feast of England's monopoly of the world market and the colonies."
>
> (ENGELS, letter to Sorge, December 7, 1889.)

With the full development of imperialism in the twentieth century, Lenin carried forward this lesson:

> "In Great Britain the tendency of imperialism to divide the workers, to encourage opportunism among them and to cause temporary decay in the working class movement, revealed itself much earlier than the end of the nineteenth and the beginning

of the twentieth centuries; for two important distinguishing features of imperialism were observed in Great Britain in the middle of the nineteenth century, viz. vast colonial possessions and a monopolist position in the world market. Marx and Engels systematically traced this relation between opportunism in the labour movement and the imperialist feature of British capitalism for several decades."

(LENIN, *Imperialism,* chap. viii.)

This development of labour imperialism, tying the workers to alliance with capitalist policies and delaying the advance to socialism, was further demonstrated and carried to new heights by the two MacDonald Labour Governments between the wars. In the most recent period it reached a disastrous climax in the Attlee Labour Government after the second world war, with its policies of imperialist reaction, colonial wars, the close tie-up with American imperialism, soaring armaments and austerity at home, and preparation for a third world war.

Above all, the ruinous cost of imperialist policy has been most powerfully shown in the growing burden of armaments and war.

Britain's ceaseless colonial wars throughout the imperialist era, including the South African War at the opening of the century, culminated in the heavy destruction and price in blood of two world wars, with the consequent crippling of Britain's economy. Yet frantic preparations are now pressed forward for a third world war, for which the impoverished British economy is being driven to pile up armaments to new record heights.

Thus the balance sheet of imperialism, however profitable for the big monopolists, has been disastrous for the mass of the people.

This is the modern imperialist system of British economy, with the whole social-political structure of imperialist "democracy" built upon it, which has now entered into deepening crisis and is approaching collapse.

CHAPTER V

CRISIS OF THE COLONIAL SYSTEM

> "In the last analysis, the upshot of the struggle will be determined by the fact that Russia, India, China, etc., account for the overwhelming majority of the population of the globe. And it is precisely this majority that during the past few years has been drawn into the struggle for emancipation with extraordinary rapidity, so that in this respect there cannot be the slightest shadow of doubt what the final outcome of the world struggle will be. In this sense, the complete victory of Socialism is fully and absolutely assured."
>
> LENIN, *Better Fewer, But Better*, March, 1923.

IN the summer of 1949 the British Government organised a Colonial Exhibition in London. The Colonial Exhibition sought to present an idyllic picture of backward peoples advancing to civilisation under the fostering care of British rule. It gave no hint of the scores of millions of pounds of profits extracted by the big monopolies from the starvation and exploitation of the people. It gave no hint of wages of a few pence a day, the crowding on the reserves, the ruin of the peasantry, the squalor of the slums, the horrors of the plantation system, indentured labour and forced labour, and the thinly-veiled slavery of the colour bar. Above all, it gave no hint of the rising struggle and revolt of the colonial peoples and the brutal methods of police and military repression used to hold them down. In short, it gave as truthful a picture of conditions in Britain's colonial empire as a Nazi Exhibition of Welfare Work in Occupied Europe.

On the other hand, when the Colonial Secretary, Mr. Creech Jones, presented his report on the colonial empire to the British Parliament on July 20, 1949, he placed especial emphasis on the measures being taken to strengthen and intensify police repression against colonial revolt, utilising the example of Malaya:

> "I was asked about internal security. With the 'cold war' and the livening of political conscience in many countries since 1945, this has become an important question. We have gone into the organisation of the police forces and internal security

arrangements in almost every colony. The lessons that we have learned, and those that we are learning day by day in the 'cold war' in Malaya are being studied, so far as they can be, in all colonial territories."

1. *Rise of the Colonial Freedom Movement*

The freedom struggle and revolt of the colonial peoples against their oppression has developed continuously with the colonial empire. The pages of colonial history are littered with colonial wars and the barbarous repression of popular revolt. Thus the nineteenth century before the imperialist era saw the Javan revolt of 1825-30, the Taiping rebellion in China of 1850-64, the Sepoy rising in India of 1857-59 and the Sudan armed struggle of 1883-85.

But it is only in the modern era, as the conditions have ripened, first with the development of the colonial bourgeoisie, and then with the development of the colonial working class, that this elementary popular revolt has been able to advance to the stage of powerful national liberation movements, capable of uniting and organising the entire people, in association with the working class in the imperialist countries and with the first victories of the socialist revolution, to challenge the foundations of their oppressors' rule and march forward to victory over imperialism.

This is the advance which has gone enormously forward since the second world war.

It is only necessary to contrast the situation at the end of the first world war and at the end of the second world war to see the magnitude of the change, not only in quantity, but in quality, which has taken place.

The early forms of the modern national movements in the colonial countries outside Europe took shape during the later decades of the nineteenth century in some of the more advanced countries, such as India, China and Egypt. These early stages of the organised national movement were led by the representatives of the emergent national bourgeoisie. They oriented themselves towards the Western capitalist countries, as at that time representing the most advanced progressive countries. They sought to imitate Western parliamentary institutions. They confined their appeal and range of organisation mainly to the limited circles of the educated classes, students, traders and lower middle class, without contact with the masses of the working class and peasantry.

The effects of the first Russian Revolution of 1905 and of the Japanese victory in Asia led to the beginnings of change and a more militant movement, but only the beginnings.

Already by 1908 Lenin was able to write:

"The class-conscious workers of Europe now have Asiatic comrades, and their numbers will grow by leaps and bounds."

(LENIN, *Inflammable Material in World Politics*, 1908.)

And by 1913 he was writing of "Backward Europe and Progressive Asia," with special reference to the advance of the Chinese Revolution and the support of the European Powers for the reaction of Yuan Shih-kai (the precursor of the American support for Chiang Kai-shek in the recent period):

"Advanced Europe is commanded by a bourgeoisie which supports everything backward....A more striking example of this decay of the entire European bourgeoisie can scarcely be cited than the support it is lending to reaction in Asia on behalf of the selfish aims of the financial dealers and capitalist swindlers.

"Everywhere in Asia a mighty democratic movement is growing, spreading and gaining strength. There the bourgeoisie is still siding with the people against reaction. Hundreds of millions of people are awakening to life, light and liberty."

(LENIN, *Backward Europe and Progressive Asia*, 1913.)

The war of 1914 and the first victory of the world socialist revolution in Russia brought a transformation. The liberation of one-sixth of the world from imperialism gave a giant impetus to the movement against imperialism in all colonial countries. The Soviet State demonstrated for the first time the successful socialist solution of the national problem on the basis of the complete national freedom and equality, irrespective of race or colour, of advanced or backward cultural development, of all the nationalities and former colonial peoples oppressed under the old Tsarist Empire. This exercised a profound influence on all colonial peoples.

Henceforward the focus of the colonial revolution became, no longer the centres of the antiquated reactionary Western imperialist countries and the institutions of imperialist "democracy," but the new Socialist State which had abolished slavery and the colour bar. Stalin summarised Lenin's teaching on the significance of this transformation:

"Lenin was right when he used to say that, whereas formerly, before the beginning of the epoch of world revolution, the movement for national liberation was part of the general democratic movement, now, after the victory of the Soviet revolution in Russia and the beginning of the epoch of world revolution, the movement for national liberation is part of the world proletarian revolution."

(STALIN, *Collected Works*, Russian edition, Vol. VIII, p. 365.)

Similarly Stalin emphasised the significance of the October Revolution, that is, the Bolshevik Revolution of 1917, for the advance of the freedom movement of all the oppressed colonial peoples, especially in Asia, and for establishing the close alliance of their struggle with the struggle of the working people in the Western countries:

> "The October Revolution is the first revolution in the history of the world to break the age-long sleep of the toiling masses of the oppressed peoples of the East and to draw them into the fight against world imperialism....
>
> "The October Revolution is establishing a tie between the nations of the backward East and of the advanced West and is drawing them into a common struggle against imperialism."
>
> (STALIN, *The October Revolution and the National Question*, 1918.)

The world revolutionary wave which followed the war of 1914-18 and the Russian Revolution swept through all the colonial countries. The former limited national movements were transformed into powerful mass movements which repeatedly stormed against the citadels of imperialism and were met with violent repression. The colonial bourgeoisie, fearful of the mass advance, moved over to a two-faced vacillating role; and the dominant section moved towards compromise and counter-revolutionary alliance with imperialism against the masses. On the other hand, the colonial working class now reached independent political consciousness and organised strength, with the formation of Communist Parties and stable trade union organisation in the major colonial countries, and entered on a leading role in the national revolutionary movement as the only consistent and uncompromising fighter to the end against imperialism.

Nevertheless, the national bourgeoisie was still able to maintain control and delay liberation.

2. *The Effects of the War of Anti-Fascist Liberation*

The world war of liberation against fascism powerfully accelerated the development of the colonial revolution.

The rottenness of the old imperialist structure was demonstrated by the collapse of the old colonial empires in Asia before the Japanese advance. In a famous dispatch *The Times* Singapore correspondent wrote in 1942:

> "After nearly 120 years of British rule, the vast majority of Asiatics were not sufficiently interested in the continuance of this rule to take any steps to ensure its continuance. And if

it is true that the government had no roots in the life of the people, it is equally true that the few thousand British residents who made their living out of the country—practically none of whom looked upon Malaya as being their home—were completely out of touch with the people.... British rule and culture and the small British community formed no more than a thin and brittle veneer."

(*The Times*, February 18, 1942.)

The myth of the military invincibility of Western imperialism was shattered. Millions of colonial soldiers were drawn from their homes to fight for the freedom of enslaved European nations, and to awaken inevitably to the question why they should not fight also for the freedom of their own countries.

Abandoned by their imperialist rulers without defence or means of defence before the Japanese occupation, the peoples of South-east Asia built up their own national resistance movements under Communist leadership to conduct a heroic guerrilla battle against the Japanese invaders. These national liberation movements fought for freedom, not only from Japanese domination, but from all imperialist domination, and they continued the struggle for freedom when the returning European Powers at the close of the war sought to reimpose the colonial system.

In the Atlantic Charter, which was accepted as embodying the aims of the United Nations, the principle was laid down:

> "They respect the right of all peoples to choose the form of government under which they will live."

However deceptive such a formulation might be in the mouths of the statesmen of the imperialist Powers, it was not without reason that this principle, embodying the aspirations of the peoples of the world fighting for freedom, was seized upon by the representatives of the colonial peoples to demand its application to their own countries.

In vain the British Prime Minister, Winston Churchill, issued an official declaration on September 9, 1941, specifically excluding "India, Burma and other parts of the British Empire" from the operation of the Atlantic Charter, and explained:

> "At the Atlantic meeting we had in mind primarily the restoration of the sovereignty, self-government and national life of the states and nations of Europe now under the Nazi yoke."

It was significant of the already developing Anglo-American antagonism over the Empire that President Roosevelt, in his broadcast of February 22, 1942, tacitly repudiated Churchill's denial of September, 1941, and went out of his way to declare:

> "The Atlantic Charter applies, not only to the parts of the world that border the Atlantic, but to the whole world."

Above all, the inspiring example and demonstration of unshakable strength of the Socialist Soviet Union, which bore the main brunt of the war and shattered nine-tenths of the Nazi forces to win the common victory over fascism; the role of the national liberation movements under Communist leadership in Europe; and the victory of the new People's Democracies in Eastern Europe emancipating their countries from the yoke of imperialism, all gave a powerful impetus to the new movements of liberation in the colonial countries.

3. *The New Advance Since* 1945

A new era of the colonial liberation movement opened after the second world war.

The outstanding expression of this new era, and the most powerful inspiring influence of the general advance, was the victory of the Chinese democratic revolution, which reached completion with the establishment of the Chinese People's Republic in 1949. Thirty-eight years after the opening of the Chinese Revolution in 1911; thirty years after the revolutionary upsurge of 1919; twenty-two years after the counter-revolutionary coup of Chiang Kai-shek in alliance with imperialism in 1927; and twelve years after the Japanese invasion of China in 1937; the Chinese people, under the leadership of the Chinese Communist Party, through long and arduous years of struggle, of wars and civil wars, finally reached complete victory. During the four years between 1945 and 1949 American imperialism spent no less than six billion dollars to combat the Chinese people, poured in arms, supplies and finance to bolster up Chiang Kai-shek, as well as dispatching military missions and officers, and naval and air aid. Nevertheless, this interventionist war of American imperialism ended in fiasco; imperialism was driven from China; and Chiang Kai-shek became a refugee cowering behind American naval guns on the island of Taiwan (Formosa). This victory of the 480 millions of the Chinese people over imperialism changed the face of the world. Just as the victory of the Russian socialist revolution in 1917 set the example and opened the path of advance for all the peoples of the world, so the victory of the Chinese democratic revolution in 1949 further carried forward the path of advance for all colonial and dependent peoples.

Alongside the advance and victory of the Chinese people, wars of liberation developed throughout South-east Asia, and a powerful upsurge went forward in all colonial and semi-colonial countries.

Thus the outcome of the second world war deepened and extended the revolt of the colonial peoples to a general crisis of the colonial system. New features appeared which are without parallel even in the height of the revolutionary wave after the first

world war. Some of the most important of these new features may be noted.

First, the victory of Chinese democracy against Chiang Kai-shek and Anglo-American imperialism transformed the balance of world relations, and exercises the most far-reaching influence on the advance of the liberation struggle of the colonial peoples throughout Asia.

Second, new independent states have been constituted by former colonial peoples, fighting to maintain their independence against the armed assault of all the forces of imperialism, e.g., the Vietnam Republic and the Korean People's Republic.

Third, in other colonial countries where independent states have not yet been formed, or where imperialism has sought to forestall the revolt by the formation of new puppet pseudo-independent states, the liberation movement has reached a new height previously unknown, with the advance to armed struggle and full-scale wars of independence in Burma, Malaya and the Philippines, or to new forms of struggle as in the Telengana region in India (peasant seizure of land over two thousand square miles, and heroic resistance to the armed forces of the imperialist satellites).

Fourth, the geographical range of the colonial liberation struggle has conspicuously extended, shown especially in the advance in Africa, as also in the West Indies.

Fifth, Communist Parties are now playing the leading role in the national movement in an extending series of colonial or semi-colonial countries.

All this amounts to a qualitative change in the character and stage of the colonial liberation movement.

4. *Wars of Liberation in South-east Asia*

The wars of liberation in South-east Asia, in Vietnam, Malaya, Burma and the Philippines, may be regarded as a continuation of the wars of liberation against Japanese occupation.

In all the Japanese-occupied territories in South-east Asia, where Western imperialism abandoned the peoples to the invaders, the peoples created their own resistance movements, organised guerrilla warfare with unconquerable heroism in the face of the most extreme barbarities from the Japanese fascists and militarists. The latter called the resistance patriots "bandits" and "terrorists" and designated the brutal warfare against them and against the civilian population a "police action". The peoples built up extending liberated areas until the final victory of liberation from Japanese occupation.

These national liberation movements received some aid and supplies, arms dropped to them, and liaison officers from the Western imperialists. The South-east Asia Command officially recognised

them as sections of the allied fighting forces against fascism. Many of the national liberation leaders and fighters received military decorations from the Western Allies. Leaders of the Malayan People's Anti-Japanese Army marched in the Victory March in London (subsequently a price was placed upon their heads).

The peoples of South-east Asia, however, and their national liberation movements were not conducting this arduous fight and sacrificing their bravest representatives against the Japanese oppressor in order to restore the Western oppressors. They were fighting for freedom from all imperialist domination. On the other hand, the aim of the Western imperialists was to re-establish their rule in South-east Asia. As soon as liberation was completed, they dispatched hordes of old colonial officials and armed forces in order to undermine and eventually suppress the national liberation movements and re-establish the colonial system. Hence the temporary wartime co-operation gave place to renewed conflict.

Wars of Western imperialism—British, French, Dutch and American—developed in varying forms in the different countries of South-east Asia against the liberation struggle of the peoples.

In some territories, as in Indonesia, Burma and the Philippines, the Western imperialists were able to win over a section of right-wing leaders, who had previously taken service under the Japanese, like Hatta and Soekarno in Indonesia, Aung San in Burma, and Roxas in the Philippines, to enter into a corresponding alliance with Western imperialism, which was able to operate through these leaders as nominally "independent" governments. In this way the war against the Burmese people was conducted nominally by the Burmese Government of Nu (successor of Aung San), actually by the British Military Mission. Similarly, Hatta and Soekarno were used to conduct violent warfare against the national liberation movement, described as "Communists," at the same time as Dutch forces still continued operations against the "Indonesian Republic" in order to compel complete surrender. Warfare against the Hukbalahap liberation movement in the Philippines was conducted in the name of the Quirino (successor to Roxas) Government.

In other territories, as in Vietnam and Malaya, it was not found possible to discover such leaders or break the unity of the national liberation movement. Hence in Vietnam an obviously spurious "independent" regime had to be created under the Emperor Bao Dai, dragged out from the Paris night clubs, and the fighting had to be conducted directly by French military forces (including a motley array of Senegalese, former Nazi storm-troopers, etc.). In Malaya a direct colonial regime was imposed under the supervision of Commissioner-General Malcolm MacDonald, without any pretence of democratic institutions, and the war was conducted directly by the British military command. Only at a later stage in the war was the attempt made to bring forward a former pro-Japanese

collaborator, Dato Onn, who had served in the Food Control Department under the Japanese occupation, as leader of an officially patronised and backed "Independence Party" to support British rule against the national liberation movement.

Thus Western imperialism succeeded to the role of Japanese imperialism in the colonial wars of repression against the national liberation struggle of the peoples of South-east Asia. The former acclaimed "heroes" of the anti-Japanese war were now denounced as "Communist-inspired bandits" and "terrorists"; and the prolonged wars against them, involving vast numbers of imported troops and draining the armed forces of the metropolitan countries, were described as "only a police action"—thus exactly reproducing the language of the former Japanese rulers against the same fighters.

Similar barbarous methods of warfare were used: bombing from the air, the death penalty for giving shelter or food to a patriot, fantastic prices on the heads of patriots brought in alive or dead, collective punishments, the razing of villages to the ground, rounding up of populations, and establishment of concentration camps.

Nevertheless, all the methods of warfare and suppression, no less than of attempted corruption and undermining, by the Western imperialist powers failed to break the resistance of the peoples of South-east Asia. On the contrary, their struggle has gone forward with the same unconquerable strength and extending popular support as previously against the Japanese invaders.

By 1952, seven years after the close of the second world war, the situation revealed the further advance and growing strength of the liberation battles of South-east Asia.

In *Vietnam* the French Government Minister Letourneau ("Minister for the Associated Territories") had to report in May, 1951 that the number of troops of French imperialism engaged in fighting the Vietnam Republic had reached the enormous total of 387,000, and that no prospect of the end of operations was in sight. By March, 1952, a French Official statement admitted that the cost of the war between 1945 and 1951 totalled £1,100,000,000 and would require another £380,000,000 in 1952; and that the losses in killed or missing were equivalent to one-third of the losses of the entire French Army in the War of 1939-40. The pessimism of imperialist opinion was reflected in the report of the *New York Herald-Tribune* on March 12, 1952:

> "The French are currently spending well over a billion dollars annually on the Indo-Chinese war. In the past they have spent more on this war than the total of American aid to France. And this huge drain has been a chief cause of France's endless series of financial crises. . . .
>
> "The fact might as well be faced that the risk of another

great Communist victory in Asia and a major defeat for the West in the cold war is now very real."

In the face of the overwhelming demand of the widest sections of French opinion for the ending of this shameful war (even the French Foreign Minister, Schuman, found himself compelled in January, 1952, to profess the desire for an "honourable armistice" with Ho Chi Minh and the People's Government of Vietnam), the war was only prolonged under insistent American pressure and with an increasing volume of American arms and supplies.

In *Burma* the writ of the Nu Government, which owed its existence to the British authorities, and was openly sustained with foreign capital and foreign arms, no longer ran over the greater part of Burma by 1951. This was demonstrated by the attempt to hold so-called "elections" during the second half of 1951, when it was found that it was only possible to put the official machinery in operation in seventy-six out of the 250 designated constituencies.

> "Although the elections are to be held in stages, beginning with only seventy-six out of the 250 constituencies, the setting is a fantastic one for any general election, because, according to the Burmese Government's own figures, at least three millions of the population are living under rebel jurisdiction. It is unsafe to travel beyond a five-mile radius from the bigger towns, and the Government still has virtually only control of the main townships and lines of communication."
>
> (*Manchester Guardian*, June 1, 1951.)

The unification of the People's Democratic Front in 1949, the military unification of the People's Liberation Army in 1950, and the further extension of the front of popular co-operation, including with the Karens, in 1951, marked the increased consolidation of the popular forces and advance in the administration of the liberated areas. By the end of 1951, out of the 16,000 villages in Burma, 4,000 had elected People's Administrative Committees; and the Peasants' Union totalled 628,000 members and the People's Militia 104,000. The growth of resistance to the Government was shown by the revolt within the "Socialist" Party (the Government party) and the open opposition of the Trade Union Congress and Peasants' League. The situation in Burma received the main attention of the Singapore Military Conference of the American, British and French Commanders in May, 1951:

> "The unconquered revolt in Burma has been one of the main worries of the British, American and French military leaders meeting here for the last few days."
>
> (Singapore correspondent, *Observer*, May 18, 1951.)

The Times of June 11, 1952, in a "South-east Asian Survey," found the gravest "cause for anxiety" in "the deteriorating situation in Burma." Similarly, the *Wall Street Journal* of December 15, 1951, reported the "worry" of the State Department over Burma:

> "The State Department strategists are out of ideas on how to save Burma. They're more worried about that country than any other in South-east Asia."

The invasion of northern Burma by troops of Chiang Kai-shek under General Li, with American aid and supplies, so far from supplying the solution for the worries of the State Department, only further strengthened the anti-imperialist feeling of the people and their support of the liberation movement, and even compelled the Nu Government to express a formal protest to the United Nations.

Even in *Thailand* (Siam), where the open military dictatorship of Marshal Pibul represented the one beloved "bulwark" and "hope" of the "democratic front" of Western imperialism in South-east Asia, the instability of its basis had to be recognised.

> "Siam, by adopting what amounts to complete military dictatorship and abrogation of even a facade of democratic processes, has created a mere illusion of strength. Prospects of another revolution are being freely discussed......
>
> "Although the Siamese police were willing to co-operate, they were handicapped. Communism was not outlawed in Siam and the police did not have the wide powers of the Malayan police."
>
> (*Daily Telegraph*, April 21, 1952.)

It is interesting to learn from this semi-official organ of British imperialism that a "complete military dictatorship and abrogation of even a facade of democratic processes" would appear too mild and lenient if compared with the character of the British regime in Malaya.

In the *Philippines* the extension of the Hukbalahap National Liberation Movement and the failure of all the ruthless military measures of the puppet Quirino Government armed forces ("the Philippine Government, in the view of American experts, is hurtling down the same slopes that led Chiang Kai-shek to disaster"—*Observer*, May 28, 1950) were followed by the wholesale mass arrests of all popular leaders in the spring of 1951. By August, 1951, the U.S. State Department found it necessary to publish a special report on the situation in the Philippines and the growing strength of the Hukbalahap National Liberation Movement, which, the Report declared, "should not be under-estimated, since it had captured the imagination of many Filipinos." (*Times*, August 3, 1951.)

Throughout all South-east Asia the correspondent of the *Observer* found the universal confident anticipation among all

sections of the people looking towards the near victory of the national liberation movement under communist leadership:

> "The most articulate Asiatics are convinced that all Asia is going Communist. . . .During an extended tour of Malaya and Indonesia just concluded I found everywhere, as I had done in Indo-China and Siam a few months earlier, unperturbed acceptance of the prospect of Communist rule even among the wealthiest class of Asiatics."
>
> (*Observer*, July 16, 1950.)

In the swiftly moving kaleidoscope of events in South-east Asia many further changes are certain; and any picture of the situation is likely to be out of date before it is written. By 1952 the menace of American aggressive plans for the extension of their war offensive in the Far East to South-east Asia still hung over the region, and was even intensified by the obviously increasing bankruptcy of the armies of the European imperialist powers and their puppets. Nevertheless, within this wider framework of world conditions and the still unsettled alternatives of a general settlement or major war in Eastern Asia, the main line of development has inescapably pointed to the growing strength and certain future victory of the liberation movement throughout this region.

5. *The War in Malaya*

The war in Malaya since 1948 is of especial concern to Britain and the question of the future of the British Empire.

It is often said in quarters hostile to Malayan national aspirations that there is no Malayan nation.

> "There is no 'Malayan people' and no Malayan national sentiment, let alone a national movement."
>
> (VICTOR PURCELL, author of *The Chinese in Malaya*, in *The Times*, August 24, 1948.)

This approach is typical of the contemptuous attitude of imperialism to a developing nation and national struggle for freedom. In the same way, a century ago the official spokesmen of the old Austrian Empire dismissed the Italy of the Risorgimento, of Mazzini and Garibaldi, and proclaimed that Italy was "only a geographical expression." In the same way two generations ago the official spokesman of the British Empire in India airily dismissed Indian national aspirations. "There is not and never was an India, or even any country of India. . . .no Indian nation, no 'people of India,'" pontificated Sir John Strachey in 1888. "The nation that India is a

nationality rests upon vulgar error," proclaimed Sir John Seeley in his *Expansion of England* in 1883, utilising the familiar argument from diversity to counter the demands of the national liberation movement, and continued, unconsciously echoing the Habsburgs: "India is not a political name, but only a geographical expression." Indeed, the denial of nationality may be regarded as the hallmark of imperialism at a certain stage in relation to a subject people; and the time may yet come when a learned American thesis will be written, with abundant factual evidence to prove the "vulgar error" of "British" nationality.

In the case of Malaya this anti-national approach is based on the familiar racial outlook which seeks to fulfil the tactics of "divide and rule" by playing on the difference between the three communities which compose the people of Malaya—Chinese, Malay and Indian. The device is also utilised to attempt to deceive opinion outside Malaya by the suggestion that the national movement and partisan struggle is confined to "the Chinese" and only represents "a handful of Chinese extremists"—with the implication, for those unaware of the facts, that the liberation movement is confined to one community, and that the Chinese Malayans are an alien minority as opposed to the real population of Malaya or Malays. All this is a monstrous distortion. The national movement comprises all three communities; the Chinese Malayans are the most numerous of the three communities in Malaya; and many of the Chinese Malayans are much longer resident in Malaya, often for generations, than many of the Malays, a number of whom are recent immigrants from Indonesia.

The latest available census returns showed the following figures of the three main communities composing the people of Malaya (including Singapore):

		Per Cent.
Chinese	2,673,694	45.1
Malays	2,551,458	43.1
Indians	603,105	10.2
Others	95,282	1.6
Total	5,923,539	

(*Statesman's Yearbook*, 1951: Malaya, 1947, census; Singapore mid-1950 estimate.)

The national liberation movement unites the representatives of all three communities. Since the Chinese are the majority community, it is not surprising that they should be in a majority in the national movement. Further, it should be borne in mind that the Chinese are mainly workers, and the Malays are mainly peasants;

and since the working class is the vanguard and main fighting force of the national movement, equally against Japanese domination and against British domination, with the peasants in general acting as suppliers of food and other assistance, it is not surprising that the bulk of the guerrillas should be Chinese. But the suppression of popular organisations has been directed equally against the Malay Nationalist Party, the Malay youth organisation and other Malay associations. The official reports of British Intelligence officers brought back by Malcolm MacDonald in May, 1949, had to admit that 25 per cent. of the guerrillas were Malays (*Sunday Times*, May 15, 1949). The first person executed for the possession of arms was a Malay—who had fought with the R.A.F. And it is worth noting that leaflets dropped by British planes, carrying gruesome photographs of the murdered bodies of Liew Yau and other Malayan leaders and threatening a similar fate to any daring to resist British rule, were printed in the Malay language.

Malaya is a relatively small territory of 51,000 square miles with a population of 6 millions. But it occupies a key position in the network of British imperialist interests. British capital investments in Malaya have been estimated at about £100 million, mainly in the rubber plantations and tin mines; and dividends of 60 per cent. and 65 per cent. have been common, reaching even 100 per cent. Workers' wages on the rubber plantations in 1947-8, according to official figures, reached 86s. 4d. to 116s. 8d. monthly, plus allowances in kind valued at 15s. a month; whereas prices had risen five times since pre-war, wages had only doubled, thus representing a heavy fall in real wages on the low pre-war colonial rates.

> "Last November, Beradin Rubber Estates Ltd.—a typical example of rubber enterprises—provided some details of its costs and general position. The crop for 1949-50 was 1,395,000 lb., which were sold at an average price of 13¼d. per pound ex-godown, Singapore. *The estimated estate cost of production was* 7½d. *per pound and has varied little since the end of the year.* About half the crop for 1950-1 has been sold forward at 19½d. per lb. ex-godown, Singapore. The rest will presumably be sold at present-day market prices for rubber which recently touched 6s. 2d. a pound in Singapore. And if any Socialist in Britain has accepted the argument that he is paying more for rubber in order to benefit a native worker in Malaya, he should disabuse his mind. Wages have risen by only 24 per cent. since 1949, while prices have risen by 500 per cent."
>
> (*New Statesman and Nation*, March 10, 1951.)

But the boom in rubber and tin prices brought not only rich profits for British capitalists; it brought dollar reserves to balance Britain's dollar deficit. In 1950 Malayan exports to the United States

amounted to £122 million, or more than the total United Kingdom dollar deficit on current account in the same year, amounting to £105 million. In 1951 Malayan dollar earnings shot up to $466 million, or £166 million—from an impoverished population of under six millions. During the six years 1946-1951 Malayan dollar earnings totalled $1,713 million, roughly equivalent—at the successive rates of exchange—to £460 million, or £75 a head for every Malayan man, woman and child. (*Commonwealth Trade in* 1951, Memorandum of the Commonwealth Economic Committee, 1952.) Hence the desperate determination of the British imperialists to hold on at all costs to Malaya in order to bolster up their bankrupt dollar-dependent economy at home.[1]

The Malayan workers' and peasants' struggle and the Malayan national movement has developed in the conditions of the fight for elementary living needs and rights against imperialist exploitation, broadening out into the fight for freedom from imperialist rule. The Malayan Communist Party was founded in 1931, and in 1935 drew up its programme for a Democratic Republic of Malaya to be attained by a broad anti-imperialist national front. In 1937 great mass struggles, reaching to close on half a million on strike, demonstrated the popular character of the movement.

In the war against Japanese domination from the end of 1941 to the summer of 1945 the Malayan People's Anti-Japanese Army, organised by the Malayan Communist Party, united the resistance of the entire population against the Japanese invaders and built up the unity of the national front. Ten thousand Malayan patriots gave their lives in the fight against the Japanese occupation. Even the apologist of imperialism, Victor Purcell, in his book, *The Chinese in Malaya*, had to admit that, while "the Japanese tried to make people believe that all the guerrillas were mere bands of terrorists" (the identical language of British Government Ministers subsequently), in reality "respect and affection" were shown them by the people for their discipline and integrity.

> "The function allotted to the guerillas (i.e. in the joint operations with Supreme Allied Command, South-east Asia) during the expected invasion was similar to that allotted to the Maquis in the invasion of France."
>
> (VICTOR PURCELL, *The Chinese in Malaya*, 1948, p. 262.)

Official tribute was paid to them by Lord Mountbatten for the South-east Asia Command, and by Sir Frank Messervy, G.O.C. Malaya at the time of the British military administration. Inde-

1 This point of view was expressed with brutal frankness by the Labour M.P., Woodrow Wyatt, when he declared in a speech at Donnington on March 21, 1952, as reported in the Press: "What would happen to our balance of payments if we had to take our troops out of Malaya?" This is a characteristic expression of Labour imperialism.

pendent testimony to the effectiveness of their fight against the Japanese occupation came from the Rev. A. J. Bennitt, a British internee during the war:

> "We had often wondered why we were kept interned on Singapore Island. . . .As soon as I went up-country I saw why we had not moved—the Japs never had control of Malaya outside the big towns."
>
> (Rev. A. J. BENNITT, "Return to Malaya", *Spectator*, December 21, 1945.)

In August, 1945, following the collapse of Japan, the Malayan People's Anti-Japanese Army completed the liberation of Malaya before British troops had arrived. People's Committees were set up in the cities, towns and villages. A people's democratic order was in being, and administration was organised.

On September 5 British armed forces arrived, and the same process began as with the arrival of General Hodges and the American troops in South Korea to overthrow the people's democratic order after liberation. The Malayan national movement and the Malayan Communist Party sought to cooperate with the British Military Command as allies. But the aims of British imperialism were to reimpose the colonial system. The Malayan People's Anti-Japanese Army was first subjected to attacks by the British forces of occupation, and then disbanded by the British Military Command. The People's Committees were similarly attacked by force and "dissolved" by order of the British Military Administration. Draconic regulations followed to smash the democratic organisations of the people—the Sedition Ordinance, the Banishment Enactment, the Printing and Publishing Enactment. The Malayan people had built up a wide network of democratic organisations: the Pan-Malayan Federation of Trade Unions, with 300,000 members, affiliated to the World Federation of Trade Unions, a Women's Federation and Youth League, political parties, organisations for the defence of civil liberties, all united in a common national front. All these came under attack, with arrests, deportations, raids and prosecutions, bans on demonstrations, police violence and firing, and scores shot dead.

Rejecting the demand for democracy, the British Government introduced a dictatorial "Constitution" which came into force in February, 1948. This Malayan Federal Constitution established, alongside the autocratic High Commissioner, a consultative "Legislative Council" of seventy-five members—with not one single elected representative. In Singapore partial elections were provided for less than a third of the Council members. Opposing this anti-democratic "Constitution," the Malayan people's organisations called for a boycott of the Singapore elections. This boycott was so successful that only 10 per cent. of the registrable electors registered

and only 6.3 per cent. voted; over 93 per cent. supported the people's boycott.

In the trade union field the Government equally failed to break the support of the workers for their organisations. Sending out special "trade union advisers," the Government sought to split the unions and undermine the united Pan-Malayan Federation of Trade Unions. They sought to organise unions on racial lines, separately for Malays, Chinese and Indians, without success. They sought to organise "non-political" trade unions, while introducing crippling legislation against the genuine trade unions. All these attempts failed; and in the end the representatives of the Government had to admit that they had only been able to organise 9 per cent. of the total number of organised workers in their spurious trade unions, whereas the Pan-Malayan Federation of Trade Unions had been able to organise 91 per cent.

This demonstration of universal popular support for the united national front, led by the Malayan Communist Party, and the complete failure of all the attempts to undermine that support or paralyse the popular organisations by the reactionary decrees and measures during 1945-8 led the Government in the summer of 1948 to introduce a new regime of terror in order to suppress the popular movement by armed force. In June, 1948, the Emergency Regulations were introduced; the Pan-Malayan Federation of Trade Unions was declared dissolved; the trade unions, working-class and democratic organisations were successively suppressed, their leaders arrested, driven into the jungle or shot. By September 15, 1948, the Government stated in the House of Commons that up to that time 7,000 persons had been detained in concentration camps without charge, and 183 trade union leaders imprisoned. Faced with this brutal military repression of their democratic movement, which was ushered in by the Emergency Regulations of June, 1948, the Malayan people were compelled in July, 1948, to take up arms to fight for their freedom, as they had fought already against the Japanese occupation. The responsibility for the war rests wholly with the British imperialist rulers.

At the outset of the war in 1948 the British governors and military commanders, equipped with all the most modern machinery of death and destruction, with armoured cars, artillery, tanks and bombing planes, counted with confidence on speedily destroying the ill-equipped Malayan People's Liberation Army and crushing the national movement in blood. They were soon to be undeceived as they encountered the deathless heroism and determination of a people fighting for their freedom, and as the war dragged on from year to year.

In November, 1948, the Commissioner General for South-east Asia, Malcolm-MacDonald, declared:

"The present trouble will be cleared up in a matter of months."

Two years later, by September, 1950, he was declaring:

"Only a fool would say that the situation is getting better."

At the outset the war against the Malayan people was described as a "police action" (a curious kind of police action with bombing planes and tanks) against "bandits" and "terrorists." Two years later, Sir George Maxwell, former Chief Secretary of the Government of the Federated Malay States, was publicly protesting against this false description:

> "High officials in Malaya are doing a public disservice by referring to bandits, whereas those who are causing the trouble are essentially guerrillas with an assigned task in organised guerrilla warfare.
>
> "The men now openly fighting against the Government forces are the successors of the men who formed the Malayan Anti-Japanese Army, who did excellent work during the Japanese occupation."
>
> (SIR GEORGE MAXWELL, *Daily Telegraph*, May 22, 1950.)

Similarly *The Times* editorial of May 25, 1950, admitted:

> "The rebellion must be recognised for what it is—a state of actual war."

This did not prevent Labour Government Ministers from continuing to endeavour to deceive public opinion at home by using the familiar Hitlerite and Japanese fascist language camouflaging a war as an "emergency" and national patriotic fighters as "Communist terrorists"—language still used by the Colonial Secretary of State in his unctuous official report, *The Colonial Territories*, 1950-1. Not without reason, Press correspondents on the spot began to refer to the war in Malaya as "The Secret War":

> "Do you report this war and call it 'war' and give comfort to yourselves and your allies about the scale of your effort, or do you 'play it down, old man,' and deny comfort both to the enemies and your own side?
>
> "So we get airy, dehydrated items from Public Relations Officers, who use a strange dictionary. To them the 'war' is an 'emergency'; British soldiers, with pride in their regiments, are reduced to anonymous 'security forces'; bandit operations are called 'incidents.'"
>
> (*Daily Express*, August 25, 1950.)

By the spring of 1950 the former Colonial Minister, Oliver Stanley, was urging in parliament:

> "I beg the Government to regard this whole question of

> Malaya as Priority No. 1. All will come crashing to the ground if we lose this war in Malaya."
>
> (RT. HON. OLIVER STANLEY, M.P., House of Commons, April 7, 1950.)

The Australian Minister of Defence, on a visit to London at the same time, complained that it was "fantastic" to be asked to believe the official picture that "between 50,000 and 70,000 British troops" were incapable of mastering the alleged total of "between 5,000 and 7,000 Communist guerrillas," and that the only explanation could be that "the populace" was helping the guerrillas—in other words, that the war was a war of national liberation.

In January, 1949, the Malayan Communist Party published its Programme of Struggle for a Malayan People's Democratic Republic. The Programme included the following aims for which the Liberation Army was fighting:

> A Malayan People's Democratic Republic based on full independence, racial equality and people's democracy.
>
> Land to be distributed among the peasants and agricultural co-operatives formed.
>
> Imperialist capital to be confiscated and taken over by the state, but small Malayan capitalists to be encouraged to assist production.
>
> Oppressive contract labour and apprenticeship systems to be abolished, and workers' wages, safety and security of employment to be protected by law; women workers to receive equal pay and treatment with men.
>
> Education to be free and compulsory, illiteracy wiped out, and social welfare developed.

Such were the aims of the "bandits."

The official cost of the war in Malaya was returned at £10 million a year, plus a special grant of £5 million to the Malayan Colonial Government. This was, however, a fictitious figure, covering only the special votes, and leaving out of account the main costs of the troops' pay and remittances, the military equipment, and the naval and R.A.F. costs. The real total cost has been unofficially estimated at over £100 million a year.

Similarly, the official return of the troops engaged, as announced in January, 1951, referred to "17,000 British ground forces, 10,500 Gurkhas, four battalions of the Malaya Regiment and a large police force." In the same month Mr. Bevin declared in a speech that "we have 50,000 troops in Malaya." The official return did not include the R.A.F. forces engaged, nor did it include the enormous numbers of full-time armed police.

> "The Federal police is expanding rapidly—almost too rapidly.

In 1948 its strength was 9,000. By the end of this year it is to number 66,000 full-time men. Though the United Kingdom's population is ten times that of the Federation, it maintains a police force of no more than equal size."

(Military correspondent, *Daily Telegraph*, May 21, 1951.)

On this basis the real total of full-time armed forces engaged in the war against the Malayan people was more in the neighbourhood of 120,000 to 130,000 men. Sir Keith Murdoch in 1950 stated the total to be 130,000 (*Daily Telegraph*, April 25, 1950). Mr. Churchill in Parliament on December 6, 1951, stated the total to be "more than 100,000 men," apart from "many part-time auxiliary police."

It is obvious that a war of this dimension, by 1952 approaching its fifth year, is no minor action against a "handful of terrorists," but a full-scale war against a nation. And indeed the continuous official complaints of lack of co-operation of the civilian population afforded sufficient evidence of this.

The more the military operations and methods of "frightfulness" failed to quell the spirit of the people, the more barbarous were the measures that were successively introduced. All methods of repression and terror were exercised against the civilian population. In March, 1950, it was officially reported that since the beginning of the war there had been 10,000 deportations, and 10,000 were held in internment camps (*Daily Telegraph*, March 21, 1950). The Under-Secretary for Air, Aidan Crawley, reported that in one month alone, in April, 1950, the R.A.F. had carried out 638 bomber sorties in Malaya. The typical Nazi methods against the resistance movements in Occupied Europe, the methods of terror regulations against assistance to the guerrillas, of wholesale arrests and torture, of collective punishments inflicted on whole communities, and of razing villages to the ground were all repeated by the Labour Government in Malaya and subsequently reinforced by the Conservative Government. A correspondent in the *Observer* of September 19, 1948, described a typical scene:

"There was no whining or begging. They were given a few minutes to collect what they could. . . .The hut burst into a slow explosion of flame, and the family stood and watched ankle-deep in all they had. That happened five times. Once a child started to scream. Others just stood, their faces marble-cold. At the end of the line an old woman waited at the door of her hut. Her son crouched outside, his legs and arms like chicken limbs, approaching the slow end of his consumption. Inside was a climax of all poverty."

Inside the House of Commons the Fabian Colonial Secretary described these terrible outrages as "merely preventive measures."

In 1946, when the guerrillas were still being acclaimed as heroes, the British Empire Medal had been awarded to the headman of the town of Pulai for the bravery of his town in the war. The official citation said: "Despite continued and violent enemy reprisals, he and the people of his town showed great courage and loyalty during the Japanese occupation by aiding and supporting British officers who lived in the jungle."

In August, 1948, Pulai was raided by British planes. The entire town was destroyed and obliterated, and a thousand men, women and children fled into that same jungle where previously they had protected and fed British officers.

In January, 1951, the entire village of Jendaram was razed to the ground, so that not a trace remained, as a punishment for giving aid to the rebels, and so joined the ranks of Lidice in the long and bitter record of the human struggle against tyranny and oppression.

More and more drastic terror regulations were introduced to smash the aid of the civilian population to the Liberation Army. The death penalty for collecting donations or supplies for the Liberation Army was found to be not enough.

> "An amendment to the emergency regulations published to-day strengthens the rule made last month under which persons who collect subscriptions or receive supplies on behalf of bandits shall on conviction be punished with death.
>
> "It is designed to meet cases where, although a person is found in possession of supplies intended for the use of terrorists, it is not possible to produce any person from whom they were demanded. *In future such a person will be sentenced to death unless he can prove that he has not been a collector of subscriptions or a receiver of supplies for bandits.*"

(*Times*, July 13, 1950—italics added.)

By June 1951, even more rigorous regulations were introduced to control the movement of the smallest article of foodstuffs or medical supplies in order to deprive the Liberation Army:

> "In certain areas no food, even midday snacks, may be eaten in the fields or taken from houses, and shopkeepers must not sell food to any customer without an identity card. A detailed record of sales must also be kept."

(*Times*, June 16, 1951.)

The barbarous method of placing prices on the heads of all resistance fighters or Communists was another favoured practice of the British Government, initiated by the Labour Government and carried further forward by the Conservative Government:

> "Big new rewards for the capture dead or alive of

Communists of all degrees of importance were announced to-day. They ranged from £7,000 for the Secretary-General to £233 for ordinary party members."

(*Daily Telegraph,* December 16, 1950.)

These sums, enormous enough even on British levels, and therefore representing wealth beyond the dreams of avarice for a poor colonial, did not avail. The figures were raised:

"The Federation Government announced to-day a new scale of rewards. . . For the Secretary-General of the Communist Party the Government offers $80,000 (Malayan), or $20,000 more than hitherto offered for information leading to his capture or killing. The reward for ordinary party members or fighting members is increased by $500 to $2,500."

(*Times,* June 5, 1951.)

Even these figures were found ineffective. In April, 1952, they were raised yet higher:

"The highest reward offered is $250,000 (Malayan) for Chin Peng,[1] Secretary-General of the Central Executive Council of the Malayan Communist Party, if he is brought in alive. . . . For Chin Peng dead the reward is $125,000. . . .

"After that for Chin Peng they range from $200,000 for a member of the central politbureau brought in alive or $100,000 dead, to $75,000 for State and regional committee members alive, or $35,000 dead. The schedule of rewards for district committee secretaries down to ordinary party members is unchanged from last year at rates between $18,000 and $2,500."

(*Times,* May 1, 1952.)

The sum of $250,000 placed on a patriot's head is equivalent to £30,000. The lower figures range from £25,000 down to £300 for the betrayal of an ordinary party member or resistance fighter. The fact that these gigantic sums did not achieve their purpose is eloquent testimony to the solidarity and patriotism of the Malayan people.

Dyak head-hunters were imported by the British Government from Borneo to operate in Malaya—nominally as "trackers." When the *Daily Worker,* in April, 1952, published a photograph of a

1 "Chin Peng was one of the most trusted guerrilla leaders in Malaya during the war, when he acted as liaison officer between the resistance movement headquarters in his native Perak and the outside world. He personally helped many British officers who parachuted into the jungle or who landed from submarines on the lonely Malayan coast. He was awarded the O.B.E. for his activities, and he came to London in 1945 with the Malayan contingent to the victory parade to receive it." (**Evening News, October 16, 1951.**)

Royal Marine Commando holding in his hand the severed head of a Malayan patriot, the universal indignation of civilised opinion led the capitalist Press to declare that the photograph was "a Communist fake"; but the Secretary for War on May 7, 1952, was compelled to admit in the House of Commons the authenticity of the photograph and that 264 Dyak head-hunters were being employed in Malaya. A flood of such photographs reached the *Daily Worker*.

The existing concentration camps, which were officially stated on March 2, 1951, to contain 11,530 prisoners, were found to be insufficient. The Briggs Plan organised the transplantation of whole populations of villages supporting the liberation movement to so-called "re-settlement" camps—huge encampments surrounded by barbed wire and armed guards, and described by the Labour M.P., Tom Driberg, as "the Makronesos of Malaya" and "a disgrace to the Labour Government, the Federation and the Commonwealth." Between April, 1950, and March, 1952, it was officially stated that no less than 423,000 Malayan peasants and workers and their families had thus been torn from their homes and placed behind barbed wire; and that, as communication was still being maintained by those transported with the liberation movement, steps were being taken to increase the numbers of armed guards and electrify the barbed wire surrounding the camps. This close on half a million placed behind barbed wire is equivalent to one in eleven of the entire population of the Malayan Federation.

All these and other methods of barbarism have not been able to break the resistance of the Malayan people, any more than the similar "Black and Tan" methods of British imperialism in Ireland a generation ago. By August, 1951, the Malayan Liberation Army claimed to control or to have rendered inaccessible to British forces three-quarters of Malaya. By the end of 1951, after three and a half years of war with all the resources of the Empire against a small nation of six millions, the spokesmen of imperialism were openly admitting that the war in Malaya had reached a new crisis.

> "In recent history there is a dreary rhythm. We are told that there is a marked improvement, then comes some catastrophe, and we learn that all is as bad as ever."
>
> (*Manchester Guardian*, November 8, 1951.)

> "After three years of armed rebellion against the Government remarkably little success has been achieved against the rebels. The Government still refers to the well-organised and well-led 'Liberation Army' as bandits and refuses to admit that a state of war exists because if it were to do so insurance premiums would immediately skyrocket."
>
> (*Observer*, December 23, 1951.)

"The so-called Emergency is in fact a war, but a new kind of war for which there is no known military answer."

(*Times*, November 19, 1951.)

The Times of December 3, 1951, flinging to the winds the obsolete myth about "bandits," declared that "a real war is being waged," and that the People's Liberation Army "have notably improved the technique of their attacks and have broken back into areas from which they had once been driven by the Army....They have regained the initiative."

The new Conservative Government at the end of 1951 made one of its main objectives to strengthen the prosecution of the war in Malaya, with the sending out of its Colonial Minister, Oliver Lyttelton, the former tin magnate, to prepare new plans on the spot, and with the appointment of General Templer as Commander-in-Chief in the beginning of 1952.

The Malayan war is an object lesson in the methods of modern imperialism—not in the "bad old times," but to-day, equally under a Labour Government and under a Tory Government—to endeavour to crush the revolt of a subject people. It is a record of deep shame for the British Labour movement, under whose auspices this criminal war against a people's struggle for freedom was conducted for over three years until it was taken over by a Tory Government. This living experience of the Malayan war must never be forgotten when there is need to discuss the problems of the British Empire, and of the relations of the British people and the colonial peoples, and most of all when there is smooth-spoken pharisaical talk of the "end of imperialism" and the "renunciation of imperialism" by our present rulers.

6. *Upsurge in the Middle East*

The crisis of the colonial system after the second world war was by no means confined to Eastern Asia. If it reached its highest levels with the victory of the Chinese Revolution and the liberation wars in South-east Asia, it extended at the same time in varying forms throughout all regions of the colonial and semi-colonial world.

In Southern Asia, in the Indian sub-continent, the strength of the mass revolt after the war, which reached its height with the Indian naval rising and mass strikes of 1946, compelled imperialism to execute a manoeuvre of retreat and enter into alliance with the upper sections of the national leadership in order to establish the Dominions of India, Pakistan and Ceylon, thus substituting new forms of maintenance of its domination and exploitation in place of the former direct rule.

In the Middle East the ferment of popular unrest and rising

national demands has extended through all the countries and kingdoms or satrapies into which the region of the former Turkish Empire has been, often with very arbitrary and artificial boundaries, sub-divided by Western imperialism. The relatively slower maturing of the colonial crisis in the Middle East has only borne witness to the depth of the explosive forces that are gathering beneath the surface.

The Middle East has been the latest region of the intensive development of modern imperialism. Just as the colonisation of southern and eastern Asia developed from the seventeenth to the nineteenth centuries, and of the African continent, with the main scramble and partition, during the later decades of the nineteenth century, the extension of imperialist tentacles over the Middle East developed principally in the twentieth century, and especially since the first world war, following the final collapse and break-up of the old Turkish Empire. The very term "Middle East" has only taken on its current connotation in the language of imperialist diplomacy during this recent period. Formerly the countries of Asia Minor bordering on the Mediterranean were known as the Levant, or, together with the Balkan provinces of the Turkish Empire, as the "Near East"; while the "Middle East" was regarded as extending over Persia, Transcaucasia, Afghanistan, Turkestan, Sinkiang and even Tibet. The shift of language has corresponded to the shift of concentration of imperialist interests. The "Middle East," in conventional current diplomatic usage, is treated as extending from the eastern borders of the Mediterranean up to the borders of Afghanistan.[1]

This region has become the central ground of imperialist politics and conflicting interests in the twentieth century. Egypt, it is true, which from its historical associations as a province of the former Turkish Empire, and from the religious and cultural affiliations of its people, is normally included with the countries of the "Middle East" in the conventional current usage, had become a battleground of the Western powers from a much earlier date. Egypt was already the object of financial and economic penetration from the granting of the concession for the Suez Canal in the eighteen-fifties, completed in 1869; was subjected to the Anglo-French Dual Control from the 'seventies; and became in fact a British colony under British military occupation from Gladstone's bombardment of Alexandria in 1882. Iran was "opened

[1] The geographical language of imperialism, dating from the earliest colonising expeditions of the Western European Powers, and imposing itself on world geography and diplomatic usage, would constitute a study in itself and throw many sidelights on its development. The islands of the Caribbean remain still the "West Indies." The vast region of China, and the Western Pacific remains still the "Far East." No doubt a modern Chinese citizen, in revenge for the many weighty tomes on "the Far Eastern Problem," and contemplating the turbulent and marauding role of the Western Powers as the main originators of modern world wars, would be justified in writing a book on "the Far Western Problem."

up" since the oil concession to Britain in 1901 and the Anglo-Tsarist division into "spheres of influence" in 1907. Anglo-German rivalry for the domination of the Middle East (the "Berlin-Byzantium-Baghdad" project) was one of the main predisposing causes and issues of the first world war.

But it is since the first world war that the main Western imperialist conquest, military occupation, partition and political domination, and intensified economic exploitation of the Middle East has taken place. Sharp Anglo-French rivalry in the initial period has increasingly given place, as French imperialism has weakened, to Anglo-American rivalry. Nevertheless, during the decades up to the middle of the twentieth century Britain was the ruling Power in the Middle East, though weakening in the most recent stage before the extremely rapid American imperialist advance. Already as far back as 1892 Lord Curzon had written:

> "Afghanistan, Transcaspia, Persia to me....are the pieces of a chessboard upon which is being played out a game for the domination of the world....The future of Great Britain.... will be decided not in Europe but in the continent whence our emigrant stock first came and to which as conquerors their descendants have returned..."
>
> (LORD CURZON, *Persia and the Persian Question*, 1892, Vol. I, Introduction, p. 14.)

Disraeli's purchase of Suez Canal shares for the British Government in 1875, and Churchill's corresponding stroke in purchasing Anglo-Persian oil shares for the British Government in 1914, marked out the new roads of expansion, with Government and High Finance in open partnership. After the first world war the architects and planners of British imperialist policy, anticipating the inevitable future weakening of Britain's hold on its historic empire base in India, envisaged ambitious dreams of "the new Middle Eastern Empire" as the future pivot and mainstay of the British Empire. They were far-sighted, but not far-sighted enough. They did not foresee the advancing challenge of American imperialism to dominate British influence in the Middle East, still less the speed of advance of popular revolt to bring clattering down their house of cards of "the new Middle Eastern Empire." Even in the years of decline after the second world war, Mr. Bevin as Foreign Secretary laboriously repeated in every speech the familar Foreign Office theme of the Middle East as "the pivot of the British Empire," for which the Labour Movement must be prepared without hesitation to spend their resources and their blood.

Oil has been the centre of imperialist interests in the Middle East. Between 1913 and 1939 the output of Anglo-Persian (subsequently Anglo-Iranian) oil rose from 248,000 to 10,329,000 tons, or forty times, and between 1939 and 1950 trebled again to

32,259,000 tons. Gross profits rose to £63 million in 1949 and £115 million in 1950. Royalties payable to the Iranian Government for 1950—not included in the gross profit of £115 million—amounted to only £16 million under the then existing agreement, while an additional £16½ million was put aside for a hypothetical future payment in the event of acceptance of the unratified Supplementary Agreement of 1951. These sums were accounted outside the gross profit; so that the real gross proceeds of the Company amounted to some £148 million, three quarters of which came from Iranian oil, while the total payable to the Iranian Government was £16 million. On the other hand, the British Government, which in acquiring a majority of the shares had originally put in only £11 million, received over £50 million in taxation, in addition to dividends. The shareholders received dividends of 30 per cent., in addition to £26 million being placed to reserve and a generous depreciation etc. account of £34 million. Thus the imperialists received in one form or another £117 million, as against £16 million for Iran, under the agreement in force prior to nationalisation.

The United Nations Report on Economic Conditions in the Middle East, published in 1951, described the Middle East as "probably the greatest oil-bearing region in the world," accounting for about one-fifth of world production, and with proved reserves amounting to two-fifths of the world total. The Report stated that production had increased from 16 million metric tons in 1938 to 71 million in 1949, and that the foreign capital, mainly British and American, in the companies concerned was estimated at $1,000 million.

> "There are indications that the production costs of crude petroleum in the Middle East are considerably below those of other major producing areas.... Labour costs are low, and petroleum production per worker is comparable with that of the United States and Venezuela. In the Middle East, royalties and tax payment ranged between 13 and 35 United States cents per barrel in 1948, while in Venezuela the average for twelve major oil companies was 86 cents.
>
> "The foreign exchange delivered from sales of oil accrues to the petroleum companies, and is in large measure retained by them. Hence the impact of oil operations in Middle Eastern producing companies is mainly indirect, and the benefits derived by them are limited."

The United Nations Report on "National Income in Under-Developed Countries," published in 1951, stated that 13 per cent. of the total national income of Iran was paid away as profits on foreign investments.

The political method of imperialism in the Middle Eastern countries has been to maintain, not direct colonial rule, but in-

direct rule, under a cover of formal "independence." This is done through subsidised or controlled rulers, kingships created by imperialism, and a corrupt reactionary feudal upper class sharing in the spoils. There are special treaties providing for the maintenance of bases, economic and military missions, and direct military occupation or maintenance of naval and air bases at a series of key points. These semi-colonial regimes are in practice reactionary dictatorships, maintaining the most ferocious repression against their peoples, with denial of democratic rights, wholesale police persecution, arrests, imprisonment, concentration camps and executions.[1]

Against these conditions of foreign domination and exploitation, reactionary rule and extreme social misery, all the peoples of the Middle East are in revolt. A section of the upper class exploiting elements, in face of the explosive political situation, also puts forward national demands against the foreign imperialists, while seeking always to direct these demands into the channels of a new bargain with imperialism, and to crush any genuine popular revolt.

In *Egypt* the national revolt has developed continuously over seventy years against the British military occupation and domination since 1882. Innumerable promises and pledges have been made by British Governments ever since the original "temporary" military occupation in 1882 to evacuate Egypt. The proclamation of the nominal "independence" of Egypt in 1922 (under British martial law) did not change the real situation of dependence and military occupation. The 1936 Anglo-Egyptian Treaty removed the British troops from Cairo and Alexandria only to concentrate them in the Canal Zone. British direct colonial rule of the Sudan in the name of the "Condominium" continued. By 1951 negotiations on the withdrawal of British troops again ended in breakdown, and the Egyptian Government of the Wafd in October, 1951, denounced the 1936 Treaty and the Condominium. The British Government replied with a heavy concentration of military forces in the Canal Zone, and armed clashes followed, with numbers of killed and wounded. The Egyptian Government withdrew its Ambassador from London, placed its complaint before the United Nations against British aggression in Egypt, and offered its readiness for a plebiscite in the Sudan to determine the future of the Sudanese people after the withdrawal of all external military forces.

The failure of all other methods to quell the national movement led to the adoption of the most violent methods of repression in 1952. An armed assault by the British military forces in January,

[1] An example of this blending of the most modern imperialism with mediaeval reaction is provided by Saudi Arabia under United States control through the Arabian-American Oil Company or Aramco. In Saudi Arabia the custom survives to cut off the hands of criminals. This barbarous custom was still preserved in full force on the Aramco estates in 1948. But the executioner's knife was kept sterilised in a hospital, and an American doctor was present at this mediaeval torture to put stitches on the wound.

1952, on the headquarters of the Egyptian auxiliary police at Ismailia, who refused to surrender, led to a pitched battle, with forty-one Egyptians killed. The national indignation aroused by this outrage found expression in popular demonstrations in Cairo, and picked bands of fascist and secret service agents took advantage of these demonstrations for purposes of incendiarism and isolated acts of violence against British citizens. This provided the pretext for the imposition of martial law, initially imposed by the Wafd Government, and immediately followed by the dismissal of the Wafd Government. A regime of wholesale arrests, imprisonment and repression ensued. Martial law was prolonged throughout the first half of 1952. But the explosive character of the situation could not be concealed:

> "Western diplomats and other well-informed foreign observers here have no illusions about the gravity of the present internal situation in Egypt. 'We are living on top of a volcano' is the phrase repeatedly heard among such circles here."
>
> (Cairo correspondent, *Observer*, March 9, 1952.)

American imperialist expression openly advocated a military dictatorship as the only solution:

> "Although it is easy to state the dilemma, it is impossible to see clearly the way out of it. . . . What is needed in this sort of situation is a reasonably enlightened dictatorship. The model is Turkey's Kemal Ataturk. . . . The problem is of course to find your Ataturk—at a pinch we should settle for a Reza Shah Pahlevi."
>
> (STEWART ALSOP, *New York Herald-Tribune*, November 12, 1951.)

On July 23, 1952, the military coup of General Neguib established a military dictatorship, which replaced the rule of King Farouk, and which enjoyed from the outset the especial benevolence of American imperialism.

In *Iran* the law for the nationalisation of the Anglo-Iranian Oil Company and its replacement by the National Iranian Oil Corporation in 1951 provoked a sharp crisis. The Labour Government replied with the dispatch of warships to the Persian Gulf; and the Stokes Mission, after making proposals for a settlement which would have in practice left British interests in control, ended in breakdown. It is characteristic that, immediately following this breakdown of negotiations, the official Labour organ came out with a bellicose and threatening editorial which recalled the palmiest days of the Kaiser or Joseph Chamberlain:

> "Britain is not getting out of Abadan, the great island refinery, king-pin of the oil industry. Mr. Attlee has already

made that clear in Parliament. And the Cabinet has seen to it that warships and other forces are ready to protect the British staff in charge of the refinery.

"The 5,770-ton cruiser *Euryalus* lies off Abadan. Alongside her are four destroyers and two sloops. More warships can be sent from Malta and Ceylon, if needed.

"The Royal Air Force, too, has important bases in Iraq, Egypt, the Persian Gulf and Transjordan."

(*Daily Herald*, August 23, 1951.)

This sabre-rattling language to a small and weak semi-colonial nation, which dared to endeavour to nationalise its oil industry (in marked contrast to the boot-licking and cringing before American armed might) is the authentic voice of modern Labour imperialism —in the intervals of repudiating "Torry" imperialism. Nevertheless, the sabre-rattling was by no means a sign of strength; and in face of the refusal of the United States to back any British military action in Iran, Abadan had to be evacuated in October, 1951. There is no doubt that the Soviet-Iranian Treaty of 1921, which gave to the Soviet Union the right to move in troops to counter any armed invasion of Iran by other powers, such as might make Iran a base for armed action against the Soviet Union, served as a protection for the Iranian people to compel the Anglo-American imperialists to think twice before embarking on any adventure of military action in Iran. The crisis in the relations of Britain and Iran continued unresolved into 1952.

The sharp tension and conflict between Britain and Iran and Britain and Egypt in 1951 were only high points of the crisis of imperialism developing in varying forms and stages in all the countries of the Middle East, and complicated by the mutual rivalries and manoeuvres of the imperialist Powers themselves, as well as by the tension of internal class relations in these countries.

Despite the most savage repression, the popular movement has advanced and is further advancing in all these countries. The intensity of the repression is a measure of the strength of the movement. Martial law is the rule rather than the exception. In Iraq the leaders of the Communist Party were executed in 1948; in 1951 there were over fifteen thousand people in prison for political offences. In Jordan the leaders of the Communist Party were sentenced in 1952 to long terms of imprisonment in the harsh conditions of the desert jail from six to ten years. In Egypt thousands were in prison and the concentration camps. The Communist Party is banned in almost all the countries of the Middle East, except in Israel (which, differing essentially from the other countries in the circumstances of its formation, immigrant composition of the majority of its population, higher technical development and abundant capital, maintains the forms of parliamentary democracy,

although under strong American economic and financial domination), and varyingly in Syria and Lebanon. Trade unions are usually proscribed, and strikes illegal. Nevertheless, the Communist Party functions illegally in a number of these countries, and Communist groups in others. In Iran the Tudeh Party, or popular democratic party, formed during the war (originally with British official approval to counter the pro-Hitler tendencies of the pre-1941 ruling clique), is strongly established as the only mass political party; and despite repeated banning and imprisonment of its leaders, each successive crisis has abundantly shown that it has the support of the majority of the population.

7. *Ferment in Africa and the West Indies*

This rising revolt in the Middle East could be paralleled by the extremely rapid development of the political awakening of all the peoples of Africa during the past decade.

Africa constitutes to-day the main base of direct colonial rule; and the dreams of imperialist domination and expansion, in proportion as the grip begins to weaken elsewhere, are increasingly concentrated on Africa. This makes the more significant the speed of the advance of popular consciousness and struggle in Africa, which will defeat these dreams.

Throughout Africa, from Morocco in the north to Capetown in the south, and from French Equatorial Africa, Sierra Leone, the Gold Coast and Nigeria in the west, to Kenya, Uganda and Tanganyika in the east, this period has seen the upsurge of popular indignation against colonial subjection and the colour bar, and against alien appropriation of the resources of their countries; the development of trade unions and political parties, despite frequent banning and imprisonment of leaders; strikes and demonstrations against inhuman conditions and repressive legislation; and repeated clashes with the police and troops, resulting in numerous incidents of shooting and killing of strikers and demonstrators.

General strikes, both for economic and for political aims; peasant resistance and risings; the struggle against repressive laws and colour bar discrimination; and national movements for self-government and independence—all these and many more forms of popular struggle have developed.

Africa, which has been the home of ancient civilisations in the past, has suffered most heavily for centuries from the brutality and barbarism of the Western European invaders, adventurers and conquerors. The ravages of the slave trade in the dawn of the capitalist era to fill the insatiable maw of the American slave market have been followed in the modern era by the ruthless depredations of the land-grabbers, the concession-hunters and the monopolist

exploiters. But events to-day are demonstrating that Africa will not long remain the "backward continent". The African is rising to his feet.

In all parts of Africa the tide of popular awakening, struggle and organisation has swept forward, in the face of heavy repression, imprisonment of leaders, denial of elementary civil rights, and police violence and firing. In South Africa the reckless racial offensive of the Malanite *apartheid* laws has been met with united mass resistance by African, Coloured and Indian alike in a common movement. This has been paralleled in Bechuanaland by the united resistance of the Bamangwato to the banishment of Seretse and against colonial dictatorship. At the other extreme of the continent, in the Arab North there have been the uprisings in Tunis and Morocco. In the West, the speed of advance has been especially marked: equally in French Equatorial Africa, with the wide extension of the popular movement; in the Gold Goast, with electoral victory of the Convention People's Party (whatever its subsequent role) sweeping the polls on the slogan of "Self-Government Now"; and in Nigeria, with its militant trade union movement and initial expression of national revolt through the National Council of Nigeria and the Cameroons. In the Sudan, the strength of the popular movement has been shown in the powerful and united trade union federation, and in the united front of the democratic parties resisting the spurious "constitutions" of imperialism and striving for the goal of immediate independence. In Eastern and Central Africa the new currents have been especially significant during the recent period: alike in Kenya, where the vigour of the mass movement, the strength and political consciousness of the Kenya African Union and the support for the proscribed Trade Union Congress have aroused the unconcealed alarm of the authorities and given rise to extending measures of repression; in Uganda, with the development of the Bataka movement; and in the Rhodesias and Nyasaland, with the universal mass opposition of the African population to the reactionary schemes for Central African Federation. The beginnings of political and trade union organisation have won a firm hold, despite repression, and are rapidly advancing at various stages in the majority of African colonies.

The methods of the imperialist rulers to endeavour to counter this rising popular challenge have varied from the familiar technique of a facade of constitutional reforms (leaving the colonial dictatorship intact), to draw in a stratum of the upper leadership into a subordinate role in the tasks of colonial administration, as in West Africa, to the most violent repression of every mass struggle—the simultaneous violent repression commonly accompanying the constitutional reforms, as in the Enugu shooting and the parallel preparation of the Macpherson Constitution in Nigeria. In South Africa the attempt has been launched by its present rulers

to build up a semi-fascist racial regime of openly Hitlerite inspiration; and this extreme repression is preparing its inevitable harvest of violent conflicts as the majority of the population struggle for freedom.

Nor is this rising ferment confined to Africa. In the West Indies, the oldest area of colonial domination, where three centuries of British rule have only ended in extreme poverty, squalor, illiteracy and slum conditions, a corresponding picture is revealed of the rapid advance of popular consciousness, organisation and struggle during the recent period, as harsh economic conditions and unemployment have given rise to mounting mass unrest.

Thus the concrete picture in all the various territories and areas of the colonial and semi-colonial world during these years since the second world war demonstrates the deepening crisis of the colonial system.

8. *Bankruptcy of Western Imperialism*

This all-embracing extent of the present crisis of the colonial system, reaching to every continent and to all strata of the populations, is more and more laying bare the weakness of the basis of imperialist rule.

Previously, the methods by which imperialism has in the past always been able to quell colonial revolt and maintain its domination have taken the two classic forms. First, violent repression, including, where necessary, the unrestrained use of superior armed force concentrated against a specific point of insurrection. Second, political corruption to split and disorganise the national movement, and win over a section of its leadership or a particular social stratum into a privileged position of subordinate partnership or collaboration.

Both these methods are proving less effective in the period of the general crisis of the colonial system.

The traditional basis of partnership with the reactionary feudal elements, princely families, big landlords or tribal chiefs is proving inadequate in the face of modern development and the advance of popular consciousness. In those countries where a developed bourgeoisie exists, as in India, it has been possible to delay liberation by establishing a temporary and precarious basis of alliance with an upper section. But even this makeshift substitute for the old direct rule, achieved only at the cost of partition, fomentation of communal divisions, and economic and social deterioration, is extremely unstable and unlikely to prove long lasting.

In other countries it has been found necessary to establish puppets or quislings, or prop up tyrannical protected rulers, with no real basis of support in the population, and openly dependent on foreign subsidies and foreign arms. Glaring examples of this have been the French establishment of the Emperor Bao Dai in Vietnam

or the British establishment of the princely ruling houses in Jordan and Iraq; foreign arms and finance have been similarly supplied to the Nu Government in Burma; and Chiang Kai-shek degenerated to a corresponding position of dependence on foreign support.

The fatal weakness of this method, however, lies in the lack of popular support for these foreign-protected dictators and the intense hostility aroused against them as traitors and quislings.

> "In Saigon last month I asked a prominent member of the French-sponsored Bao Dai-Xuan Government how many Viet-namese supported his regime. 'Probably about one per cent.,' he replied frankly. 'Almost ninety-nine per cent. favour Ho Chi Minh's resistance Government.'"
>
> (ANDREW ROTH in the *New York Nation*, January 8, 1949.)

Similarly in 1950 *The Times* lamented that the only mainstay of "the democratic forces" in South-east Asia was the pro-fascist dictator Marshal Pibul of Thailand or Siam:

> "During the past six months the situation in South-east Asia has grown worse. In four out of the five countries which together make up that important strategic area there has been a weakening of the democratic forces which are the only de-pendable barrier against the advance of Communism. The fifth country, Siam, is an exception, under the leadership of her 'strong man' Marshal Pibul."
>
> (*Times*, April 25, 1950.)

With exquisite appreciation of the imperialist meaning of "democracy," the term "the democratic forces" is here used to describe the imperialist invading armed forces, Anglo-French-Dutch-American, together with Senegalese conscripts, Gurkhas and Dyak head-hunters and other experts in "democracy," transported into these countries by imperialism in order to use armed force against the people's revolt and maintain colonial dictatorship. With pained surprise it is discovered that the only "dependable" (?) ally and supporter of their brand of "democracy" is the "strong man" Dictator of Siam, Marshal Pibul, who was previously aligned with the Japanese militarists and fascists.

Hence the imperialists are increasingly driven to depend on armed force, martial law, special penal ordinances and the dispatch of costly expeditionary invading forces to maintain their rule. Here again, however, new difficulties arise from the advanced stage of the present crisis of the colonial system.

Previously, the imperialists could count with considerable con-fidence on crushing any revolt of the colonial peoples under their rule, despite the enormous numerical majority of the colonial populations in their empires. Three factors made possible this

relative certainty and confidence. First, their overwhelming superiority in arms and equipment, against disarmed colonial populations or primitive peoples with the most primitive weapons:

> "Whatever happens, we have got
> The Gatling gun, and they have not."

Second, the divisions within each colonial population, so that one section could be used against another (the Indian Empire was conquered in this way). Third, the divisions and lack of contact of the colonial peoples one with another, scattered over the globe, and with all means of communication in imperialist hands.

All these conditions are now changing, and consequently these factors no longer operate in favour of the imperialists to the same extent as before. The superiority in arms and equipment remains, especially against the disarmed colonial populations, but is no longer as decisive. Its effectiveness depends on the trustworthiness of the troops that use them; and the revolt of the Indian Navy in 1946, alongside smaller scale movements in the military and air services, was the decisive factor which compelled imperialism to manoeuvre and execute a partial retreat in India. Further, in the countries of South-east Asia which were overrun by Japan the formation of the national liberation armies against the Japanese occupation gave experience in warfare, and some supplies of weapons, despite the attempts of the imperialists to seize all weapons at the end of the hostilities against Japan. In China the great bulk of the arms and equipment supplied by American imperialism to Chiang Kai-shek fell into the hands of the Chinese people to be used for their liberation.

The divisions within the colonial peoples diminish, with the advance of political consciousness, and with the development of united national liberation movements drawing together all sections of the people in a common national anti-imperialist front. The growth of Communist Parties in the colonial countries is the key factor in this advance of national unity.

Most important is the change in the international situation. The victory of the Russian socialist revolution already made the first breach in the front of imperialism, and opened the way to the advance of the colonial liberation movements all over the world. The growth of the international Communist movement has raised the level of international consciousness of the working class; developed the understanding of the working class in the imperialist countries of their responsibility in relation to the struggle of the colonial peoples; developed at the same time the understanding among the colonial peoples of the world character of their struggle; and thus helped to build the alliance of the working class in the imperialist countries with the colonial and semi-colonial peoples. Each colonial people no longer fights alone, but as part of a world anti-imperialist

front. The victory of the Chinese People's Revolution has powerfully carried forward this development.

This change in the international situation has far-reaching effects, not only in the political sphere, but also in the military sphere. Previously the imperialist rulers could draw on the enormous resources of their entire empires to concentrate overwhelming superiority of forces against a casual or sporadic revolt at a single point. Now, when the liberation struggle develops in varying degrees in all colonial countries, and flares up into open revolt in a number simultaneously, the imperialist rulers find themselves far more heavily strained to endeavour to cope with it, and begin to find the task beyond their resources. Despite their still-continuing superiority in arms and equipment, the cry goes up from their ranks with increasing desperation and urgency that they suffer from one decisive shortage in the military sphere—*shortage of man-power.*

The Malayan War drew half the then available mobile expeditionary forces of the British Army. The reinforcement of Hong Kong drew additional forces. When the Korean War was launched by the United States, Field-Marshal Slim at first proclaimed that Britain, already heavily engaged, could spare no additional forces for it. The Korean War drew four-fifths of the available United States mobile forces. Heavy additional strains of rearmament and lengthened conscription are placed on the imperialist countries.

The imperialists are compelled to fight with costly imported forces against peoples who are fighting in their own countries for their freedom. This is the essential military weakness of imperialism in its war against the liberation struggle of the colonial peoples.

The prominent American publicist, Walter Lippmann, bitterly complained:

> "Always it is necessary for the West to do the fighting itself. Never yet has it been necessary for the Russians to do this. This is on many counts a profoundly disturbing contrast between the Soviet and the Western position in Asia."
>
> (WALTER LIPPMANN, *New York Herald-Tribune,* June 29, 1950.)

To understand this twisted language, it is necessary to bear in mind that the national liberation movements are equated by all imperialist spokesmen with Communism, and that Communism in turn is equated with the Soviet Union or "Russia"; so that by this devious chain of reasoning "Russia" is declared to be fighting in Asia—without troops. Once this translation into plain language has been made, the significance of this "disturbing" admission goes very much further than the spokesmen of imperialism would care to recognise.

Similarly, the *Daily Telegraph* complained in almost identical language:

> "In the disputed area—China, Korea, Formosa, Indo-China, Malaya—Soviet influence and power have expanded without the armed forces of the U.S.S.R. being committed. On the other hand, nowhere on the mainland of east Asia has Communism been contained except by committing French, British or American forces....
>
> "Asian Communism gains strength from leadership; its standard bearers are all Asian....The leadership and the principal weapons for fighting Communism come from the West because they are not otherwise available.
>
> "The Communist forces are led by able men like Mao Tse-tung and Chou En-lai in China, by the veteran Ho Chi-minh in Indo-China....
>
> "Not Asians, but General Douglas MacArthur, Mr. Malcolm MacDonald, and France's High Commissioner in Indo-China, M. Pignon, are the key figures in the anti-Communist front."
>
> (*Daily Telegraph*, June 27, 1950.)

These words are the confession of bankruptcy of imperialism in eastern Asia, and finally in the whole colonial world.

The epitaph on imperialism in Asia was written by the United States Government White Paper on China, the so-called Acheson Report, published in the autumn of 1949 to explain the fiasco and rout of the American war of intervention in China in 1946-9:

> "The unfortunate but inescapable fact is that the ominous result of the civil war in China was beyond the control of the Government of the United States. Nothing that this country did or could have done within the reasonable limits of its capabilities could have changed that result; nothing that was left undone by this country has contributed to it. It was the product of internal Chinese forces, forces which this country tried to influence but could not."

Marx prophesied after the Franco-German War of 1870-71 that history would "drum dialectics even into the heads of the mushroom upstarts of the new holy Prusso-German Empire." Here in the melancholy confession of impotence of the Acheson Report on China in 1949 we can see history beginning to "drum dialectics" anew "even into the heads of the mushroom upstarts" of the new Holy American Empire—and of all the imperialists.

CHAPTER VI

CRISIS OF "WESTERN CIVILISATION"

> "And because we know we have breath in our mouth and think we have thoughts in our head,
> We shall assume that we are alive, whereas we are really dead. . . .
> The Lamp of our Youth will be utterly out, but we shall subsist on the smell of it;
> And whatever we do, we shall fold our hands and suck our gums and think well of it.
> Yes, we shall be perfectly pleased with our work, and that is the Perfectest Hell of it."
>
> KIPLING.

THE crisis of the colonial system has not only transformed the situation in the colonial countries. It has also transformed the situation in the imperialist countries. The undermining of the colonial base of imperialism has produced its reflection in the deepening crisis of the metropolitan countries of imperialism, especially in Western Europe.

1. *The Red Line on the Balance Sheet*

With unconcealed alarm the Western rulers have seen the rising tide of colonial revolt and liberation advancing to triumph in Asia, and already stirring in Africa, and have recognised in its thunders the knell of doom for their imperialist system of parasitic economy and political corruption (misnamed "Western democracy" and "Western civilisation") in the countries of imperialism in Western Europe and America.

Under the title "Far Eastern Front," *The Times* editorial wrote on March 1, 1949:

> "The revolutionary movements in Eastern Asia as a whole—ranging from North China down to Indonesia and northward again to Malaya and the Burmese hills—are changing the world strategic and political map. The destinies of nearly a thousand million people are being shaped. With Communists either in

> the leadership or striving towards it, the challenge to Western security is at least as great as if Africa were in ferment."

With brutal frankness the same editorial proclaims the grand thesis: *"Eastern Asia is a main base of Western Europe"*—a curious sentiment from the standpoint of geography and democracy, but completely comprehensible from the standpoint of imperialist economy.

On the lines of this thesis, the organ of the British ruling class lays bare the materialist basis of the spiritual bonds of empire and the white man's burden with the reckless candour of the bandit suddenly faced with the prospect of the loss of his booty:

> "The disturbances in the Asian area....have put in peril the rich supplies of raw materials which this country, France and the Netherlands desperately need. From the half million tons of rubber which Malaya produced yearly before the war and the 60,000 tons of tin, and from the Burmese rice, minerals and timber, this country gathered a large part of the sterling area's dollar surplus....For Holland, success or failure in reaching agreement in Indonesia, with its oil, rubber, tin and coffee, will determine whether or not she is to remain a Power."

When British Government spokesmen used to boast of the achievement of British exports in bringing down the dollar deficit and achieving a surplus by 1950, it was seldom mentioned in this complacent context that this boasted surplus of the sterling area was based on colonial dollar exports, covering up and compensating a United Kingdom dollar deficit, and that Malayan tin and rubber earned more American dollars for Britain than the total of British dollar exports. The criminal war in Malaya was openly defended —also in official Labour expression—with the brazen mercenary argument that Malaya is "our principal dollar earner":

> "It is Malaya's dollar earnings which keep the sterling area afloat."
>
> (*Manchester Guardian,* December 13, 1950.)

> "Malaya is Britain's biggest source of American dollars."
>
> (*Times,* June 9, 1950.)

Of course these regions could produce all this wealth, and eventually much more, under a free regime; but the share of the Western European countries would then have to be based on equal exchange (to the advantage of home productive development) and not on imperialist exploitation.

Similarly the *New York Times* in a message from its Geneva correspondent dated January 11, 1949, emphasised that colonial domination is the indispensable basis for Western European reconstruction:

> "*The high living standards of Europe are certainly to a degree dependent upon the availability of raw materials and cheap labour in Asia and Africa.* Although old-fashioned colonial imperialism is considered out-moded, a recovering Europe cannot do without sources of wealth menaced by the U.S.S.R.'s new drive for 'popular democracy.'"

Under the blows of experience, and in the shadow of their impending downfall, the pundits of Western "democracy" are learning to read Lenin's *Imperialism* backwards.

With corresponding frankness the American Far Eastern expert and former political adviser to Chiang Kai-shek, Owen Lattimore, analysed in 1949, after the collapse of Chiang Kai-shek and the costly fiasco of the American-subsidised war of intervention in China, the new *debit balance* beginning to appear in the "arithmetic" of imperialist colonial policy:

> "Asia, which was so easily and swiftly subjugated by conquerors in the eighteenth and nineteenth centuries, displayed an amazing ability stubbornly to resist modern armies equipped with aeroplanes, tanks, motor vehicles and mobile artillery.
>
> "Formerly big territories were conquered in Asia with small forces. Income, first of all from plunder, then from direct taxes and lastly, from trade, capital investments and long-term exploitation—covered with incredible speed the expenditure for military operations. This arithmetic represented a great temptation to strong countries. Now they have run up against another arithmetic, and it discourages them."

In other words, the bottom is falling out of the bandit business.

2. *Mythology of "Western Civilisation"*

The deeper this crisis develops of the material basis of the Western European imperialist countries, the more "spiritual" becomes the language which is used to describe it. Grandiloquent phrases are bandied about to-day on all sides to call for the defence of "Western civilisation in danger." "Western democracy and respect for the individual," the "Western way of life," "Western spiritual values" and "the Christian heritage" on whose behalf it is proclaimed justified and necessary to use the "spiritual" weapon of the atom bomb.

The more the real content of these grandiloquent phrases is examined, however, the more they will be found to have no consistent or coherent meaning, and no theoretical or historical justification, but in practice to be only "respectable" pseudonyms

and *aliases* for Western capitalism and imperialism, which has its root and basis in the class system at home and the subjection and exploitation of the colonial peoples abroad.

What is this special "*Western* civilisation" (the expression dates only from the modern era), and wherein is its distinctive character? The impression is sought to be conveyed that the spirits of Plato, Thomas Aquinas, Shakespeare and Rousseau are the inspirers of the Stock Exchanges of London, New York and Chicago, and gave their blessing to the cannonading guns which utilised the Chinese invention of gunpowder to force opium on Chinese peasants.

Thus the profound tradition of *human* progress and culture with its myriad interacting streams, is artificially twisted, sectionalised and distorted in order to provide a historically inaccurate and anachronistic justification for the barbarities and reaction of late capitalist imperialism when it has become a barrier to human progress and the enemy of human culture.

The advance of human civilisation and culture was powerfully carried forward by the Western European nations when they were the representatives of still ascending and progressive capitalism. Despite all the violence and horrors and tyrannies accompanying its achievement, despite the slave trade and colonial devastation and destruction of ancient civilisations, these Western European nations were nevertheless then fulfilling a historical role in the vanguard of human advance. Their political institutions broke old forms of bondage; their technique and science opened new horizons for knowledge and the conquest of nature; their commerce opened up and drew into a network the whole globe; their writers and artists permanently enriched the treasure-house of humanity.

But that era has passed. The progressive and advancing culture which made war on medieval obscurantism, and which found expression in the Renaissance, the Reformation, the Enlightenment, and the English, French and American Revolutions, with the formation of the nation-states, and with all its accompanying artistic and scientific achievement, reached its limits of development within capitalist conditions during the nineteenth century. As its final outcome and harvest it prepared the way for and gave rise to Marxism, at once the inheritor of all the positive achievement of the old and the expression of the new rising social force of the working class and socialism. Thereafter the path of advance of human culture, and the inheritance of the past, has passed to Marxism, to the socialist revolution of the twentieth century and the world Communist movement.

To-day the finance-capitalist oligarchies in the Western European countries and America have become the representatives of world reaction, seeking to uphold by violence the old order against all popular advance, and bolstering up the most reactionary, including pre-capitalist and feudal forces in all parts of the world. They

have become, not a progressive and civilising element, but the most menacing, destructive and barbarous element in the modern world, debasing culture and striving to twist and distort science for the purposes of general atomic devastation and even extermination of the human race. And it is to sanctify this horrible abortion of this final decaying phase that the false mythological concept of "Western civilisation" has been evolved by the apologists of reaction as their chosen emblem and fighting device.

This pseudo-concept of "Western civilisation" is a manufactured myth comparable to the corresponding Nazi racial myth of "Aryan civilisation" and "Aryan" superiority and predominance.

What is its basis? Has it a geographical basis? On the contrary. The peculiar geography of "Western Europe" includes Greece and Turkey and excludes Czechoslovakia. And on a wider range, an illuminating editorial in *The Times* proclaimed the aim—somewhat startling to a simple-minded geographer—to "Win Japan for the West."

Does it represent a cultural, social or political unity of institutions and ideas? Certainly not in any sense which its champions claim to profess. The semi-fascist dictatorships of Greece and Turkey are welcome to the fold alongside the parliamentary democracies of Britain and France. And we have seen how *The Times* has acclaimed the "'strong man' Marshal Pibul" the pro-Axis dictator of Siam as the only staunch and dependable outpost of the "weakening forces" of Western "democracy" in South-east Asia.

Does it represent a religious unity—the "unity of Christian civilisation"? On the contrary. Japanese Shintoism or Moslem Pakistan are welcome, if willing, to uphold the sacred cause of "Western civilisation"; but the Orthodox Christian Church is excluded. The claim to represent the Asiatic religion of Christianity, carried forward in a continuous tradition through the Eastern Church, is calmly annexed as a peculiar monopoly of Rome and Western Protestantism.

In short, the pseudo-concept of "Western civilisation" is an artificially constructed latter-day symbol, without historical, geographical, cultural or religious justification, which seeks, for a current short-term political purpose, to ignore equally the Asiatic origins of Christianity; the preservation of the records of classical culture by the Byzantine Empire when Western Europe was sunk in darkness; the debt of scientific origins to the Egyptians or of mathematics to the Arabs; or the invention of printing and gunpowder by the Chinese (actually, the Koreans used the first movable type).

With justice Professor Barraclough has pointed out that this "theory" of "Western civilisation" or "the Western European tradition" or "the Western way of life" has long forfeited any claim

to be regarded as a genuine academic theory, and has become essentially a political weapon:

> "has now become the vehicle of organised political forces, charged with political content; it has come into its own as an ideological smokescreen behind which the militant upholders of 'Western tradition' hastily seek to manoeuvre into position the compelling artillery of the atomic bomb; it is the battle cry of the British Council and the Anglo-Saxon equivalent of '*Blut und Boden.*'"
>
> (*Humanitas*, June, 1947.)

The only basis of unity behind this conception is the unity of modern imperialism. This is the reality behind the symbol. The Brussels Pact, the Atlantic Pact, "Western Union," the "Atlantic Community"—all these represent the bloc of the great *colony-owning powers* and their associates—the United States, Britain, France, Belgium, Holland, etc.

It is this system of so-called "Western civilisation"—which has nothing in common with the great cultural heritage of the Western European nations, but is basely misused as a synonym for imperialism—that is now shaken to its foundations by the deepening colonial crisis.

3. *Western Europe in the Doldrums*

The outcome of the second world war has profoundly changed the relations of imperialism.

The area of imperialism has been restricted, with the disintegration of the former Japanese and Italian Empires, the eclipse of Germany as an independent imperialist Power, and the emancipation of the Eastern European democracies from the orbit of imperialism.

Within the diminished area of the remaining imperialist Powers of America and Western Europe the balance of relations has radically altered.

The old colonial Powers of Western Europe have been greatly weakened. This has been shown in the obstinate and prolonged economic difficulties and problems, obstacles to recovery, and extreme economic and financial unevenness of development and instability during the whole period since the second world war. It has found most direct expression in the heavy deficit on the balance of payments of Britain and the leading countries of Western Europe. It has been further intensified by the programmes of heavy rearmament.

During the first phase after the war, early superficial explanations and illusions sought to interpret the special economic difficulties of the Western European countries as only a temporary result of war devastation and unsettlement. These illusions have had long since

to be abandoned. War devastation was, in fact, relatively lighter in the countries of Western Europe, and most heavy and crippling in the countries of Eastern Europe. Britain, despite the bombing of London, Coventry and other cities could show no human or material destruction comparable to the losses of the Soviet Union in the war, with 7 million dead, 70,000 towns and villages entirely razed, 6 million houses and buildings demolished, 30,000 industrial plants stripped, 90,000 collective farms destroyed, and something like one-third of its productive resources put out of action. France could show no parallel of destruction to stricken Poland; Paris, relatively untouched under occupation, could show no parallel to Warsaw levelled to the ground.

Further, Western Europe, whose need was least, received lavish American subsidies running into billions of dollars. When the countries of Eastern Europe (excluding Jugoslavia, which, after surrender to the West, also received lavish American subsidies), whose losses and sacrifices in the common cause had been greatest, and which therefore most merited unstinted and unconditional aid from those who had enriched themselves from the war, refused to bow to conditions of economic and political subjection as the price of such aid, all the pundits of Western imperialism gloatingly anticipated—and were naive enough publicly to predict—that Western Europe, basking in the shower of dollars, would march to rapid prosperity, while mortally stricken Eastern Europe would be doomed to misery and economic impotence.

Facts turned out otherwise. Already by 1948 the United Nations Survey had to admit that the Soviet Union had achieved the highest rate of advance of industrial production in the world, 71 per cent. above 1937, as against 70 per cent. for the United States; that the People's Democracies of Eastern Europe had achieved a remarkable advance; while Britain and the countries of Western Europe lagged behind, with totals only just above, or even below, pre-war:

Table 12

EUROPE EAST AND WEST, 1937-48

(*Industrial Production Index*: 1937=100)

U.S.S.R.	171	United Kingdom ..	110
Poland	141	France	100
Bulgaria	179	Belgium	93

(*United Nations World Economic Report for* 1948.)

Even the official Labour Party organ had to admit in 1948 that Polish "reconstruction has gone ahead faster than any other" in Europe:

"The man who has done probably the best post-war job in Europe is Michael Kaczorowski, Polish Minister of Reconstruc-

tion, here as the guest of Lewis Silkin [Minister of Planning, who had visited Warsaw and invited a return visit to London]. Said Silkin, 'Come and see how we do it in Britain.'

"Not, as Silkin himself readily admits, that we have much to teach Kaczorowski.

"Although his country was the worst damaged in Europe, its reconstruction has gone ahead faster than any other."

(*Daily Herald*, June 4, 1948.)

The following years showed this contrast carried still further forward. By 1951 Soviet industrial production was more than double the pre-war level. Rising prices, austerity, cuts and worsened standards in the West accompanied falling prices and rising standards and consumption in the countries of Eastern Europe (with the exception of Jugoslavia and Greece, which conformed to the Western trends of worsened conditions). In the Soviet Union between 1947, when rationing was abolished, and the spring of 1952, prices of all main articles of food, clothing and other consumption goods were cut all round no less than five times. By the spring of 1951 the United Nations Economic Commission for Europe had to report:

"In the United Kingdom ... the economy is showing every sign of suffering from severe strain. Cost inflation is rampant and towards the end of the year may well be enhanced by demand inflation flowing from the heaviest rearmament programme in Europe."

(United Nations *Economic Bulletin for Europe, First Quarter*, 1951, p. 5.)

The same Report declared with regard to the Soviet Union:

"In the Soviet Union a further decrease in prices, mainly of food products, by 10 to 20 per cent. took place on March 1, 1951. It led to a substantial increase in sales of consumers' goods (19 per cent. from February to March)."

(*Ibid*, p. 22.)

With regard to the People's Democracies of Eastern Europe and the German Democratic Republic the same official United Nations Report referred to "the general background of rising living standards" and declared:

"Industrial production in the first quarter of 1951 increased by 19 per cent. over the first quarter of 1950 in the six Eastern European countries for which data are available (Poland, Rumania, Bulgaria, Hungary, Czechoslovakia and the Soviet Zone of Germany), and by 18 per cent. in the Soviet Union, against a figure of 13-14 per cent. for Europe as a whole."

(*Ibid*, p. 19.)

It should be borne in mind that the figure for "Europe as a whole" is highly misleading, since it includes the higher totals of the People's Democracies of Eastern Europe (Bulgaria, Czechoslovakia, Hungary and Poland) to raise the general average, and that therefore a direct comparison between the average of the countries of Marshall Europe and of the Soviet Union and People's Democracies of Eastern Europe—a comparison discreetly not attempted by this United Nations Report—would make the contrast still sharper.

By the second quarter of 1952, the level of industrial production of the countries of Western Europe showed an absolute decline —for the first time since 1947—alongside a still more rapidly accelerating advance in the production of the Soviet Union and of the People's Democracies of Eastern Europe.

Why this contrast? Why this contrast between the rapid and successful post-war reconstruction in the heavily damaged Eastern Europe, and slow and painful post-war reconstruction and subsequent new decline in the lightly damaged Western Europe? Why this contrast between the continuous and accelerating advance in production in Eastern Europe, alongside the much slower and irregular advance in Western Europe, despite its initial advantages in equipment? Why this contrast between falling prices and rising standards in Eastern Europe, and soaring prices and worsened standards in Western Europe?

Basically, this contrast is a reflection of the different social, economic and political systems in Eastern and Western Europe —between the countries of socialism or of People's Democracy advancing to socialism, and the countries of capitalism and imperialism. It reflects also the consequences of American Marshall "aid" (actually economic and financial penetration and disorganisation). It reflects further, especially in the later period, the strain of heavy military expenditure, colonial wars and the new enlarged rearmament programmes in Western Europe.

But these differences of the social, economic and political systems, and of the policies pursued, cannot be separated from the imperialist basis of the economies of the Western European countries.

The causes of the prolonged economic difficulties and continuing crisis in economic and financial conditions in the countries of Western Europe after the second world war, must be sought deeper than in temporary post-war unsettlement or disturbance, and cannot be separated from the crisis of the colonial system, on which the imperialist economies of these countries have been founded.

The crisis of Britain and Western Europe reflects the weakening of the old imperialist basis and loss of overseas tribute, and the failure to carry through the necessary changes to establish a new and healthy productive basis. This is shown very clearly in the following table from the Report of the Marshall Plan Committee

on "European Economic Co-operation" in 1947, revealing the pre-war economic basis of the Western European countries.

Table 13

PRE-WAR PROPORTION OF WORLD TRADE OF U.S.A. AND WESTERN EUROPE

	Pre-war population (millions)	*Percentage of world trade, 1938*	
		Imports	*Exports*
United States	131.7	8.1	13.2
16 Marshall countries	205.9	40.8	30.4

Here is the root of the bankruptcy of Western Europe. Before the war the Marshall countries of Western Europe took two-fifths of world imports and exported less than one-third of world exports. One-quarter of their imports were not paid for by exports of goods. In practice, the raw materials drawn from their colonial possessions were used, not only to supply directly their own requirements, but by sale to the United States and dollar countries to provide the exchange for the purchase of dollar goods for Western Europe. The colonial peasants and workers sweated under semi-starvation conditions to ship the rubber and tin and copper and palm-oil and cocoa to the United States and dollar countries, as well as to the Western European metropolitan countries. The privileged sections in Britain and Western Europe, whose colonial investments brought rich dividends, were able to enjoy the latest luxury gadgets of American technique. With characteristic sardonic irony this process was described as "triangular trade"—thus concealing the basis of colonial exploitation.

The privileged position of Western Europe was also based on the semi-colonial exploitation of the backward countries of Eastern Europe (Poland, Hungary and the Balkans), restricted to a low level of primitive agricultural development, without industrialisation, under reactionary landlord and fascist regimes, tied economically and politically to the dominant circles of the industrially developed Western European countries, including Germany. This basis has disappeared with the liberation of these countries of Eastern Europe, and their economic advance along the path of industrial development.

Hence the crisis of the colonial system, undermining the foundations of this corrupt, parasitic economy, brought at once a dollar crisis for Britain and Western Europe. The diminution of colonial tribute, and of the income from shipping and finance connected with it, appeared on the books, not as a shortage of colonial goods, but as a shortage of dollar goods or inability to pay

for dollar goods. *The colonial crisis appeared in its superficial form as a dollar crisis.*

The Marshall Plan represented a plan to meet temporarily (at a price of economic dependence) the superficial form of this crisis—the dollar crisis. But it could not touch the real underlying factors—the colonial crisis.

Within the imperialist framework no solution could be found for this crisis. The collapse of foreign investment income can be illustrated from the following return for Britain. Despite the retention of £2,417 million foreign investments, or over two-thirds of the pre-war total, the net income fell heavily.

Table 14

FALL IN U.K. FOREIGN INVESTMENT INCOME, 1938-46

(£ *million*)

Interest, Profits and Dividends—	1938	1946	*Increase or Decrease*
In	205	154	—51
Out	30	83	+53
Net	175	71	—104

Sources: 1938 figures: *U.K. Balance of Payments,* 1946-48, No. 2: 1949, Cmd. 7,648.

1946 figures: *U.K. Balance of Payments,* 1946-50, No. 2: 1951, Cmd. 8,201.

While foreign investments still represented two-thirds of the pre-war total, net foreign investment income fell by three-fifths. The bottom was falling out of the old parasitic imperialist economy.

Desperate attempts have been made to restore or maintain and extend the basis of the old colonial system as the assumed indispensable condition for Western European economic "recovery." The British Government's Four Year Plan, presented to the Marshall Plan authority ("Organisation for European Economic Co-operation") in December, 1948, envisaged "a large increase in the contribution of the colonies to European recovery," and hopefully set the target for a more than sevenfold increase in "invisible earnings" within four years. By 1950, the Chancellor of the Exchequer was proudly able to announce, a surplus in the *sterling* balance of payments with the dollar area had been achieved. But this surplus concealed a continuing *United Kingdom* dollar deficit. The surplus reflected a large increase in *colonial* dollar earnings, which were credited to the sterling account in the hands of the United Kingdom. On this basis of intensified colonial exploitation

the Labour Government sought to claim a "socialist triumph" of "recovery" in 1950. The outcome in the following year soon exposed the hollowness of this boast.

All the attempts to build the recovery of Western Europe on the basis of intensified colonial exploitation are doomed to bankruptcy, whatever temporary, precarious and unstable results they may achieve, in the face of the deepening crisis of the colonial system. These attempts have only resulted in ruinous colonial wars and increased costs of colonial suppression and overseas military commitments, which further strain the already weakened imperialist economy and in the end add to the deficit. This was already illustrated in the budgets and balance of payments of France, with the effects of the war in Vietnam; of Holland, with the effects of the war in Indonesia; and of Britain, with the effects of the war in Malaya and numerous other military commitments all over the world. Britain's boasted temporary surplus of 1950 was based on highly unstable and transient conditions of inflated colonial raw material prices through the demands of the Korean war, United States military stockpiling and world rearmament. The ruinous consequences of this policy were soon demonstrated, when 1951 revealed the deficit on the balance of payments soaring once again to record heights. The Western European adverse balance of trade rose from an annual rate of 1 billion dollars in the second half of 1950 to an annual rate of 4 billion dollars in the first half of 1951 (*Economist*, December 8, 1951).

Ruthless restriction of imports were imposed in 1952 to correct the balance; but the very limited superficial diminution of the deficit on the balance of payments in the first half of 1952 was only achieved at the cost of a worsening trade situation, industrial decline and a consequent deterioration of the real economic position.

Nor could the Marshall Plan offer a solution. Dollar subsidies could only conceal artificially for a short time the real deficit, but could not touch the real causes. On the contrary they served in practice to intensify the disease by increasing the dependence on dollar supplies and delaying and even restricting or vetoing any attempt to find an alternative basis. Thus the Marshall Plan brought, not economic recovery, as advertised, but increased economic weakening of the Western European countries and dependence on United States imperialism.

4. *Colonisation of Western Europe*

The Western European countries after the second world war, while remaining imperialist colony-owning countries, have sunk into a position of satellite dependence on the more powerful United States imperialism.

Two principal types of technique have been used to bring about this transformation. The first is the technique of economic and financial penetration, which found expression in the Marshall Plan, with its far-reaching political consequences. The second is the technique of military subordination, establishment of bases, and control of the armed forces, which found expression in the Atlantic Pact, with the military arrangements arising therefrom. The Marshall Plan was in effect the first stage; the Atlantic Pact the second stage.

The practical experience of the Marshall Plan during its years of operation from 1948 to 1952 soon revealed that its real significance was very different from the simplified propagandist picture presented of "aid" and "recovery." Already the Harriman Report in 1947, in explaining the purpose of the Marshall Plan to the American Congress, made clear that that purpose was by no means purely economic:

> "The interests of the United States in Europe cannot be measured simply in economic terms. It is also strategic and political."

Before the Plan came into operation, in the autumn of 1947 the *Economist* was lamenting:

> "The present situation is tragic....The European Governments will be prodded, lectured, urged and admonished on every aspect of their policy....Guarantees will be laid down, or at least proposed—American oversight of the aid, American trustees, political modifications in Governments, abandonment of socialisation—as preliminary conditions to the granting of any aid at all.
>
> "But in Europe, in the ear of every European Government, will re-echo Mr. Molotov's bitter jeers at their 'loss of national sovereignty.' "
>
> (*Economist*, October 11, 1947.)

By 1949, when the vast apparatus of American economic controlling agencies was established and operating in every country of what came to be known as "Marshall Europe," the United States Minister-in-Charge of the Economic Co-operation Administration Mission to the United Kingdom, Thomas K. Finletter, was boasting at a Pilgrim's Dinner at the Savoy Hotel, London, on June 16, 1949:

> "Never before in history have the representatives of one Government been given the duty of reviewing in detail and in public the acts of another country in dealing with its own affairs."

The operation of the Marshall Plan was directed to cut living standards and social services, restrict plans of capital development,

deepen the division of Europe between East and West by the imposition of trade bans, and thus increase and make permanent the economic dependence of Western Europe on the United States. By 1949 the official Report of the Secretary of the O.E.E.C. in charge of the Marshall Plan was admitting the fiasco of the professed aims of ending dollar dependence:

> "Europe is not on the way to achieve independence of all exceptional outside aid. . . .The dollar problem, in spite of the improvement in the situation over the last two years, is not on the way to solution. . . .The United Kingdom is not the only country in this position. . . .This is a problem for which our organisation can find no solution."

And the Report of the United States Council of the International Chamber of Commerce, published in May, 1949, under the title "The Spectre of 1953," held out the prospect:

> "When E.C.A. aid ends in 1953, Europeans will face the prospect of becoming 'pensioners of the United States' or lowering their living standards."

In fact Western Europe passed into the stage of combined military and economic dependence on the United States.

By 1952, with the effective completion of the Marshall Plan (when the initial alias of "economic co-operation" was replaced by the new alias of "mutual security," or, in other words, the original "economic" mask was replaced by the unconcealed military vizor), the *Economist* was compelled to make the rueful comment:

> "It is ironical that Europe, after four years of co-operation, should find itself in what seems to be the same position as in 1947. Europe is still hungry for dollars; the overseas accounts of most countries are again markedly in the red."
>
> (*Economist*, January 5, 1952.)

The military counterpart of the Marshall Plan was the Atlantic Pact Treaty, signed in 1949. By this Treaty a permanent Council of Deputies under American presidency was established, and a United States Commander-in-Chief was appointed for the armed forces of the Western European countries. With the plans in full swing by 1952 for the rebuilding of the Wehrmacht under the generals of Nazism, alongside permanent American military occupation in Western Europe, the formation of a so-called "European Army" was announced under American control. Within five years of the original Marshall Plan intervention, the economic, political and military subordination of the ancient countries of Western Europe to the domination of the United States had been carried to an advanced stage.

All these new developments have reflected the profound changes in the relations of imperialism since the second world war. The outcome of the second world war brought radical changes, not only in the colonial sphere, and in the relations of the colonial countries and imperialist countries, but in the relations of the remaining imperialist powers of America and Western Europe.

The unequal development of imperialism has reached an extreme stage in the contrast between the situation of the United States and the rest of the imperialist world. While the war impoverished all others belligerent countries, United States capitalism, untouched by war destruction, accumulated gigantic profits and increased enormously its productive power. The United States has attained productive preponderance outweighing the rest of the capitalist world put together. The United States has attained strategic supremacy as against all the other capitalist powers. On the other hand, the United States holds directly a relatively smaller area of colonial territories. The Western European Powers with their much weaker economic strength still hold the main colonial empires.

Thus the contradiction which was characteristic of the relations of advancing German imperialism and the rest of the imperialist world in the earlier twentieth century, giving rise to the first two world wars, is now carried forward to a much higher degree. The United States imperialist drive to world expansion is in consequence directed, not merely against the land of socialism and the countries emancipated from the yoke of imperialism, but also and immediately against the existing colonial empires and above all the British Empire.

In the face of this advancing offensive and penetration by United States imperialism, the Western European imperialist powers, and especially Britain and France, have sought to manoeuvre for their interests, even while tied within the net of formal alliance and "aid," and have begun to show initial signs of increasing resistance.

In this way, despite the active counter-revolutionary partnership of Britain and the United States, the Anglo-American antagonism reveals itself more and more manifestly and powerfully as the main antagonism of the imperialist world. It has shown itself markedly in the terms of the Loan Agreement, the conflicts over the Sterling Bloc and devaluation, Imperial Preference and the Havana Trade Agreement, the use of the weapon of the Marshall Plan to secure a hold on the strategic raw materials of the British Empire countries, and the advance of American oil interests at the expense of British oil interests in the Middle East.

It is the special character of the method of world expansion of American imperialism at the expense of the older colonial empires that has not required armed conquest of these empires, but has followed the lines of subordination and penetration. The older

colonial powers are left in nominal possession of their empires, and have thus to do the dirty work of policing and administering and holding down the colonial peoples, while the United States monopolies more and more take the cream of the profits.

In this way a new structure of imperialism may be said to reveal itself after the second world war. The first tier or top of the pyramid is occupied by the United States. Then below it come the other colonial powers, still exercising dominion over subject peoples, but themselves satellite to the United States as suzerain. At the bottom of the pyramid come the colonial and dependent peoples.

This represents, however, no stable equilibrium, but is continuously shaken and undermined by the advancing expansion of American imperialism, the partial weak resistance of the older colonial powers, and the powerful upsurge of the struggle of the colonial peoples for liberation. This interplay of imperialist antagonisms, with the advancing aggression of American imperialism and the rising freedom struggle of the colonial peoples, constitutes the special character of the present crisis of the colonial system.

CHAPTER VII

AMERICA AND THE BRITISH EMPIRE

> "Whatever the outcome of the war, America has embarked on a career of imperialism in world affairs and in every other aspect of her life. . . . At best, England will become a junior partner in a new Anglo-Saxon imperialism, in which the economic resources and the military and naval strength of the United States will be the centre of gravity. . . . The sceptre passes to the United States."
>
> VIRGIL JORDAN, President of the National Industrial Conference Board of the U.S.A., speech to the Investment Bankers' Association on December 10, 1940.

> "Over two-thirds of the globe, along the great arc stretching from Europe to Japan, no treaty can be signed, no alliance can be forged, no decision can be made without the approval and support of the United States Government. Only the great Communist bloc is impervious."
>
> *Times* editorial, August 29, 1951.

THE outstanding new feature in imperialist relations since the second world war is the overwhelming predominance of American imperialism and the relative weakening of the British Empire within its orbit.

Britain has become by the middle of the twentieth century economically, financially and militarily dependent on the United States. Its governments have been bolstered up by American subsidies in return for loyalty to the rulers of the United States. American economic and financial penetration of Britain and the Empire has been pressed forward, and restrictions imposed on British trading autonomy. Sea power has been surrendered to the United States. Britain has been occupied as an American air base, its armed forces brought under an American Supreme Commander, and its chain of bases throughout the world brought within the American network.

All this profound change in the relations of the two largest world imperialist Powers has not proceeded in smooth harmony. The conflict of interests, economic, financial and strategic, has been ceaseless, and continues to grow more and more acute at every point.

The British imperialists still endeavour by every means and manoeuvre to hold on to their weakening world position against the dominant American power. But their resistance is weakened because their own decadence and counter-revolutionary role has tied them to the American overlord as their protector. The deepening of the conflict between British and American interests will inevitably give rise to new shifts of relations within the camp of imperialism, and to consequent new political alignments inside Britain. But the final task of liberation can only be accomplished by the national anti-imperialist struggle of the peoples of Britain and the British Empire, led by the working class, and acting in unity against the alliance of American imperialism and its British junior partners.

1. *Foreshadowings of the Future*

The American offensive against the British Empire did not begin after the second world war. Its foundations were laid in the preceding era. Already by the last decade of the nineteenth century United States capitalism had overtaken and outstripped British steel output and won industrial primacy in the world. From the early years of the twentieth century American statesmen began to look forward to the future aim of taking over world leadership from Britain.

In 1913 Ambassador Page, United States Ambassador to Britain, wrote in a private letter to Secretary Houston about Britain's "unctuous rectitude in stealing continents....I guess they really believe that the earth belongs to them" (letter of August 24, 1913, *Life and Letters of Walter H. Page*, 1925, Vol. I, p. 139). But he added in a subsequent letter to President Wilson on October 25, 1913:

> "The future of the world belongs to us. These English are spending their capital....Now, what are we going to do with the leadership of the world presently when it clearly falls into our hands? And how can we use the British for the hightest uses of democracy?"

That was already four decades ago, before the first world war. The United States had earlier displaced Britain's industrial supremacy. But in the first decade of the twentieth century Britain still held supremacy in world trade, the mercantile marine, international finance, overseas investment, naval armaments and colonial power. The United States was a net debtor country. The City was still the centre of world credit and financial operations. Sterling dominated international commerce and exchange.

The War of 1914-18 brought the first big change in this position. The United States monopolists, maintaining neutrality until the last stage, drew enormous profits from the belligerents, and intervened

only in the final phase, with the minimum of losses, and with unexhausted forces to exercise a decisive voice in the settlement. The United States advanced to the position of a creditor country, and, following the Dawes Plan (an embryonic predecessor of the Marshall Plan), embarked on large-scale foreign investment. Britain was mortally stricken and entered into a period of chronic depression which continued from the winter of 1920 till the second world war.

By 1930 a foremost American publishing firm issued a book which received widespread attention on both sides of the Atlantic under the title *America Conquers Britain*. The author, Ludwell Denny, reached the conclusion:

> "We were Britain's colony once. She will be our colony before she is done: not in name, but in fact. Machines gave Britain power over the world. Now better machines are giving America power over the world and Britain. . . .
>
> "Of course, American world superemacy is rather horrible to think about. But American supremacy can hardly be worse than British and others gone before. . . .
>
> "What chance has Britain against America? Or what chance has the world?"

That was over two decades ago. The onset of the world economic crisis which revealed the deep innner weakness of American capitalism behind all its arrogant claims of inevitable triumph, made these prophecies premature at the time. But to-day, when American Economic Administrators for Britain have their offices in London and the American General Staff its permanent bases, troops and bombers on British soil, these words have a topical ring.

By the time of the second world war American expressions of the aim of displacing Britain and subordinating the British Empire to American world hegemony became open. It was in 1940 (when, as Cordell Hull's memoirs have since informed us, the State Department was drawing up plans for a post-war world on the assumption of a defeated Britain), that Virgil Jordan, President of the National Industrial Conference Board of the U.S.A., the principal organisation of American big capital, made his confident prediction—quoted at the head of this chapter—that "England will become a junior partner in a new Anglo-Saxon imperialism" with the United States as "the centre of gravity."

In 1941 at the time of the Atlantic Charter meeting of Churchill and Roosevelt, the latter's son, Elliott Roosevelt, has recorded the sharp discussion on the future of the British Empire and colonial territories, which resulted in the British Prime Minister declaring:

> "Mr. President, I believe you are trying to do away with the British Empire. Every idea you entertain about the

structure of the post-war world demonstrates it. But, in spite of that, in spite of that, we know that you constitute our only hope. And *you* know that *we* know it. *You* know that *we* know that without America the Empire won't stand."

(ELLIOTT ROOSEVELT, *As He Saw It*, 1946, p. 41.)

The relation of simultaneous antagonism and dependence here received classic expression.

President Roosevelt saw the aims of American policy in terms of liberal anti-imperialist sympathies with the sufferings of the colonial peoples ground down under British or French or Dutch colonial rule. But this did not prevent that the sharp edge of American policy, also in his liberal expression, was turned against the British, French and Dutch Empires, and that this coincided with the more outspoken expansionist aims of the magnates of American finance-capital. In a conversation with his son, recorded in the same book, President Roosevelt attributed the defeats of the Allies in the Far East to the colonial system and—

"the short-sighted greed of the French and the British and the Dutch. Shall we allow them to do it all over again?....

"The United Nations—when they're organised—they could take over these colonies, couldn't they? ....

"When we've won the war I will work with all my might and main to see to it that the United States is not wheedled into the position of accepting any plan that will further France's imperialistic ambitions or that will aid or abet the British Empire in its imperial ambitions."

Similarly, it was in October, 1942, that the American magazine *Life* came out with its widely publicised article suggesting that Great Britain had better decide to part with her Empire, as the United States was not prepared to fight to enable her to keep it. This was the article which provoked the famous rejoinder of Mr. Churchill on November 10, 1942, that he had "not become the King's First Minister in order to preside over the liquidation of the British Empire." However, this did not prevent the subsequent Churchillian Fulton programme after the war hastening the surrender to American predominance.

These typical statements are worth recalling to-day in order to see present events in a broader perspective. Ambassador Page's private letter to Wilson was written before the first world war, before the Russian Revolution of 1917, before the Communist International, before there was a Communist Party anywhere in the world—before, that is, there was any possibility of covering up the aims of world domination with the subsequent camouflage of the Holy War of Western Civilisation against Communism.

America Conquers Britain appeared before the second world war, before Hitler came to power, before the Anti-Comintern Pact, that is before the rulers of American policy had conceived the inspiration of picking up the fallen mantle of the Anti-Comintern Pact to pursue corresponding aims.

Similarly the President of the National Industrial Conference Board of the United States proclaimed the aims of American "imperialism," and the relegation of Britain to a "junior partner," before America was involved in the war, and before the Soviet Union was involved in the war—that is, before there was any possibility of talking about the Russian menace or the "threats of Russian aggression" as a supposed reason for American aggressive measures throughout the world.

These statements, revealing a continuous line of policy developed with increasing precision over four decades, should be helpful in restoring a sense of perspective in the midst of the wild and whirling storm of anti-Communist and anti-Soviet propaganda which is nowadays presented in many quarters as a substitute for a serious analysis of the world situation.

2. *Effects of the Second World War*

The second world war brought the decisive change in the balance of power between the United States and the British Empire. Already by the eve of the second world war American imperialism had advanced to effective dominance in the Western Hemisphere, although British interests were still strongly entrenched in Canada and the Argentine. The circumstances and outcome of the second world war provided the opportunity for the American imperialists to advance their offensive beyond the American Continent for world predominance. The mantle of President Wilson, who had essayed this task prematurely and without success after the first world war, fell on President Truman.

As in the first world war, so in the second world war the United States intervened once again as the last of the major belligerents, to draw the maximum profits in return for the minimum burdens. All the other belligerents suffered heavy losses in the war. Mr. Churchill has pointed out in the second volume of his history that the number of Americans killed in action in the war, totalling 322,188, fell below the level of 412,240 for the British Empire (just as the combined figures of both were barely one-tenth of Soviet losses). Other countries were devastated, overrun or blitzed. The United States was immune. Other countries emerged economically and financially impoverished and weakened. The American monopolists made gargantuan profits, totalling, according to official records, 52 billion dollars or £13,000 million, after taxation. They increased

the productive power of their plant by one-half, and accumulated capital reserves of 85 billion dollars or £21,250 million. This vast expansion of accumulated capital and productive power sought outlet after the war and led to the drive for American world expansion which has been so marked a characteristic of the post-war years.

The transformation in the relative position of the United States and Britain before and after the second world war may be measured by the following indications.

By the end of the second world war American capital controlled two-thirds of the productive capacity of the capitalist world and three-quarters of its investment capacity.

In world trade Britain lost export markets during the war which were captured by American manufacturers. The change of relative position of Britain and the United States is illustrated in the following table:

Table 15

WORLD TRADE, 1937 - 1951

(*Proportionate shares of trade in the capitalist world in* 1937 *and* 1951.)

	1937 *$million*	*% of World Total*	1951 *$million*	*% of World Total*
WORLD EXPORTS				
World Total (f.o.b.)	24,100	100.0	76,700	100.0
United Kingdom	2,581	10.7	7,224	9.4
United States	3,299	13.7	14,877	19.4
WORLD IMPORTS (c.i.f.)				
World Total	27,106	100.0	81,600	100.0
United Kingdom	4,716	17.4	10,605	13.0
United States	3,311	12.2	11,897	14.6
TOTAL TRADE (Exports and Imports)				
United Kingdom	7,297		17,829	
United States	6,610		26,774	

"World" — excluding U.S.S.R., China, Bulgaria, Hungary, Roumania and the German Democratic Republic.

U.S.A.: imports reported f.o.b.; adjusted to arbitrary c.i.f. (f.o.b. plus 10 per cent); excluding silver.

United Kingdom: excluding silver.

Values in U.S. dollars.

(*Source: United Nations Monthly Bulletin of Statistics*, August, 1952.)

Thus before the war British total trade exceeded that of the United States. By 1951 United States total trade was more than half as large again as the British total. Despite the most intensive exports drive, the British proportion of world exports fell from 10.7 per cent. in 1937 to 9.4 per cent. in 1951. The United States proportion of world exports during the same years rose from 13.7 per cent. to 19.4 per cent.

In world finance and the export of capital, sterling had to bow to the supremacy of the dollar, although strenuous efforts were made to build up and protect the sterling area under the control of London. The devaluation of the pound to $2.80 in 1949 revealed the changed position.

The reversal of the relative position of Britain and the United States as the principal world creditor is illustrated in the following table:

Table 16

OVERSEAS CAPITAL INVESTMENTS OF BRITAIN AND U.S.A.
Pre-War and Post-War

United States	1939	1949	1951
$ Billion	12.5	32.6	36.1
£ Equivalent (million)	2,500	11,650	12,890
United Kingdom	1938	1948	
£ million	3,545	1,960	

(U.K. figures from Bank of England Survey, October, 1950. U.S. figures from Department of Commerce returns; years refer to end of years; £1 exchange for 1949 and 1951 at $2.80.)

Even if only private foreign investments of the United States are taken as a basis of comparison, the total increased from $12,445 million in 1939 to $19,112 million by the end of 1949, or £6,500 million, equivalent to more than three times the British total of 1948, and exceeding the combined total of all other imperialist powers. The enormous development of capital export by the United States Government and official banking institutions since the second world war still further swelled the aggregate total.

Thus between 1938 and 1948 British overseas capital investments were reduced by two-fifths. During the same period (1939-49) United States overseas capital investments, which before the war had been less than British, multiplied over seven times. The United States not only overtook Britain's position as principal world creditor, but left Britain hopelessly behind.

The enormous exports surplus of the United States during these years facilitated this rapid overseas capital accumulation, at the same time as Britain's heavy imports surplus had the opposite effect.

Table 17

U.S.A. EXPORTS SURPLUS AND U.K. IMPORTS SURPLUS

	1946-49 (*annual average*)	1951
U.S. Exports Surplus		
$ million	+6,107	+4,059
£ million	+1,527	+1,450
U.K. Imports Surplus		
£ million	—240	—779

With this exports surplus it was not surprising that the United States could export capital at an annual rate of 3.3 billion dollars during the four years 1946-9, equivalent to £825 million (at the pre-devaluation rate). On the other hand Britain with a net deficit on the balance of payments averaging £228 million a year during those same four years, was incapable of any genuine export of capital (although a measure of overseas investment of capital took place, partly by the device of the increase of the sterling balances).

In world shipping Britain had equally to yield pride of place to the United States as a result of the second world war. The United States proportion of the world merchant fleet rose from 13.4 per cent. in 1938 to 28.4 per cent. in 1952.

Table 18

MERCHANT SHIPPING TONNAGE U.K. AND U.S.A., 1938-49

(*in thousand gross registered tons: Lloyd's Register of Shipping*)

	1938	1949
United Kingdom	17,675	18,093
United States	11,404	27,814

The British lead of 6 million tons before the war gave place to an American lead of close on 10 million tons after the war.

In the key battle for the control of world oil supplies the United States equally displaced Britain after the second world war. In 1938, out of the total oil output of the capitalist world outside the United States American firms controlled 35 per cent., and British 55 per cent.; by 1951 American firms controlled 55 per cent. and British 30 per cent.

No less significant was the passing of strategic power to the United States. Once upon a time the Navy League used to issue extensive literature to prove that Britain's command of the seas was the condition of Britain's survival. The Navy League survives, but not the command of the seas. During recent years the Navy League must have had to pulp a lot of literature. In the

days before 1914 the Two Power Standard was the favourite slogan; the British Navy must equal the two next naval Powers combined; anything less was ruin. After the Washington Treaty of 1922 the One Power Standard became the motto; the British and American Navies were to be equal; in fact, Britain continued slightly in front. After the second world war the Half Power Standard became the new rule; whereas before the war the British Navy totalled 1.2 million tons and the American 1 million, in 1947 the British Navy totalled 1.5 million tons, and the American 3.8 million. By 1951 the Admiralty announced that British naval personnel totalled 140,000 and American 850,000. Farewell "Rule Britannia."

On the other hand, if we examine the situation with regard to world colonial possessions we find a different picture.

At the end of the war the British Empire outside the United Kingdom (excluding the nominally independent countries in the British sphere, like Egypt and Iraq and the former Italian colonies administered by Britain) covered some 13 million square miles with a population of over 550 millions. As against this, the American direct colonial possessions, including the Philippines, covered only 125,000 square miles and a population of 19 millions.

The disparity between the powerful advancing American capitalism with limited world colonial possessions, and the weakening British imperialism, with vast world colonial possessions, and the consequent control of wide markets, trade routes, sources of raw materials and spheres of investment, is evident. This is the classic type of contradiction giving rise to imperialist antagonism.

This type of antagonism had given birth to the challenge of German imperialism to British imperialism in the early decades of the twentieth century, and found expression in two world wars. During the Nazi phase German imperialism concealed its aims of world aggression and expansion under the guise of leadership of Western Civilisation in the crusade against the "Eastern menace" of the Soviet Union and Communism. The protagonists of the Munich policy of "appeasement" swallowed avidly the Hitler-Goebbels bait of anti-Soviet propaganda. In the name of the anti-Soviet crusade the Old Appeasers eagerly connived at and acclaimed the expansion of Hitler's power as a supposed "bulwark against Communism." They were ready to sacrifice immediate British interests to Hitler and Mussolini in the fond belief that the main offensive would be turned away from the British Empire and the blow would fall to the East.

Nevertheless, in the end the real imperialist antagonism defeated the Munich plans and revealed itself in war in 1939.

To-day American imperialism similarly presents its drive to world expansion in terms of the leadership of "Western Civilisation" against the "menace" of the Soviet Union and Communism. Once again the New Appeasers in Britain rally in support, and readily

sacrifice British interests to American domination in the sacred name of the anti-Communist crusade. But the real conflict of commercial and financial interests continually breaks through, and complicates the plans for a unified counter-revolutionary bloc.

The American drive to world expansion is in fact directed, not merely against the Soviet Union and the people's democracies of Eastern Europe, but also and immediately against the countries of the older and weaker colonial powers, and especially against the British Empire.

Already in 1928, Stalin characterised the Anglo-American antagonism as the key antagonism of the imperialist world.

> "Whether you take the question of oil, which is of decisive importance both for the development of capitalist production and for the purpose of war; or whether you take the question of markets, which are of prime importance for the life and development of world capitalism, for goods cannot be produced unless markets are secured for the sale of these goods; or whether you take the question of markets for the export of capital, which is the most characteristic feature of the stage of imperialism; or whether, finally, you take the question of routes leading to the markets for the sale of commodities and the markets for the sale of raw materials—all these fundamental problems drive towards the one fundamental problem, the struggle for world hegemony between England and America. America, that country of gigantic capitalist growth, wherever it turns ... encounters obstacles in the shape of the strongholds already held by England."
>
> (STALIN, speech to the Central Committee of the Communist Party of the Soviet Union, July 30, 1928.)

Since the second world war this antagonism has developed to new intensity beneath all the forms of alliance and partnership. The "cold war" of American imperialistic expansion against the Soviet Union is open and avowed. The "cold war" of American imperialist expansion against the British Empire is hidden and unavowed, but none the less real for being camouflaged behind the phrases of admiration and frienship.

3. *The New American Empire*

The American aim to take over world leadership and domination after the second world war received open expression from the principal spokesmen of the new offensive expansionist policy which replaced the old obsolete "isolationism." It is worth noting that also the inter-war "isolationism," which replaced President Wilson's

ambitious aims of American world hegemony after the first world war, was only the reverse side of the aim of American world domination, since its essential principle was withdrawal from any organs of international co-operation or organisation, such as the League of Nations, which the United States was not yet strong enough to control and dominate, and participation only in organs or projects, such as the Dawes Plan or Young Plan, which were effectively under United States control.

In 1946 Leo D. Welch, Secretary-Treasurer of the powerful Standard Oil Company of New Jersey, who thus occupied the position of one of the key magnates of United States finance-capital, proclaimed the aim in an address to the National Foreign Trade Convention in concrete business terms:

> "As the largest producer, the largest source of capital, and the biggest contributor to the global mechanism, we must set the pace and assume the responsibility of the majority stockholder in this corporation known as the world....Nor is this for a given term of office. This is a permanent obligation."

Popularising the new conception, the American mass-sale magazine *Life*, which in the beginning of 1941 had carried the notorious article of its publisher Henry Luce entitled "The American Century" proclaiming the aim that the United States should take over world leadership on the basis of its vast power, in 1947 published a new article and map, based on Burnham's *The Struggle for the World*, delineating the aims of an "American World Empire." According to the indication of the map the areas which should come under the influence of the "American Empire" were:

> "The North Pole; Canada; South America; Mexico; Norway; Sweden; Belgium and Holland; Germany; France; Italy; Spain; England; Africa; the Near East; the Middle East; India; China; Indonesia; Australia; New Zealand; and the South Pole."

The notorious theorist of American world expansion, James Burnham, whose bellicose works were spread with all the devices of lavish publicity on the American bookstalls, sought to educate the American public to their new destiny in the spirit of a Bernhardi or a Treitschke (not to mention Mussolini or Goebbels). In his *The Struggle for the World*, published in 1947, he set out the programme for—

> "an American Empire which will be, if not literally world-wide in formal boundaries, capable of exercising decisive world control. Nothing less than this can be the positive or offensive phase of a rational United States policy" (p. 188).
>
> "There is already an American Empire, greatly expanded during these past years" (p. 189).

This American Empire can only be established by force:

> "It must be granted that the United States cannot within the allotted time win the leadership of a viable world political order merely by appeals to rational conviction" (p. 193).
>
> "Power must be there, with the known readiness to use it, whether in the indirect form of paralysing economic sanctions, or in the direct explosion of bombs. As the ultimate reserve in the power series there would be the monopoly control of atomic weapons" (pp. 194-5).

For the peoples who might still cling to obsolete conceptions of national freedom and sovereignty the familiar Hitlerite answer is given:

> "'Independence' and 'freedom' are after all abstractions" (p. 201).

In these ravings is set out with crude frankness the programme which the official statesmen and militarists of American imperialism usually seek to veil in terms of moral sanctimoniousness concerning "American world leadership" and "the American world mission."

The strategy of the programme of American world expansion has been conducted by the combined operations of the State Department, Wall Street and the Pentagon in an ever-extending variety of forms during the years since the second world war.

In the economic field, alongside "normal" trading and financial penetration by the overwhelming preponderant power of the American monopolies, it has taken the form of direct governmental intervention, utilising billions of dollars of subsidies through the Marshall Plan and other forms, to subordinate the economies and trade of the satellite countries to American requirements; establish a multiple array of economic agencies of supervision and control; impose trade bans; and regulate budgeting, financial and currency policy. In addition President Truman's Point Four Programme, proclaimed in 1949, set the aim of penetration into the colonial empires of the European Powers.

In the political field, the Truman Doctrine,[1] proclaimed in the spring of 1947, laid down the right of the United States to intervene

[1] It is worth noting that the Truman Doctrine, which is to-day accepted as a canon of "Western civilisation," aroused sharp hostile comment at the time from British official expression. The Times found the Truman Doctrine "revolutionary" in "the blunt readiness it expresses to go ahead with a controversial American policy, without preliminary Great Power agreement or discussion by the United Nations." The **Daily Herald**, the official organ of the Labour Government, found the declaration "grave," "disturbing" and "frightening," and went on to declare (March 15, 1947): "Our first reaction to President Truman's speech was one of uneasiness. Our second thoughts are no happier."

in any country in the world to ensure the maintenance of governments approved by it. While the methods of direct financial, political and military intervention were used in Greece and in China, in Western Europe the weapon of economic control and dependence was used to ensure political dependence. An indication of the extent to which this technique of indirect control of European governments had been carried by 1949 was provided by the statement of the well-known American foreign correspondent, John Gunther, author of *Inside Europe*, in his new series of articles "Inside Europe To-day" in the *New York Herald-Tribune*.

> "It is my honest belief that if American aid were withdrawn from Greece the Greek Government could not survive ten days. Nor could the governments of France and Italy survive more than a few weeks or months."
>
> (JOHN GUNTHER, *New York Herald-Tribune*, February 3, 1949.)

Thus by 1949, in the view of this leading foreign correspondent of the most influential American newspaper, the Governments of Western Europe had become satellite Governments dependent on American support. At the same time the United Nations Organisation was converted, by a continuous and flagrant violation of the provisions of its Charter, and by substituting the Assembly (with an American majority of satellite votes, representing a minority of the world's population) to take over the functions of the Security Council, into a caucus machine for registering and ratifying American policy, including acts of aggression.

In the military field the United States entered on a vast armament programme, many times eclipsing the highest level of Hitler's, and reaching to the equivalent of seventy times its pre-war rate of expenditure; established a network of hundreds of military, naval and air bases in every continent throughout the world; built up a vast military coalition through the Atlantic Pact in contravention of the United Nations Charter; imposed heavy rearmament on its satellites; proclaimed its right to use atomic weapons and other weapons of mass destruction and stockpiled atom bombs; engaged in military operations in the Far East; and concentrated on strategic preparations for a third world war.

The extent of the American Empire by 1950 was estimated to include a total population of 563 millions—even excluding the subordinate position of the Western European imperialist powers and their colonial empires. This total was composed as shown in Table 19 overleaf.

Table 19

AMERICAN EMPIRE IN 1950

	Population, 1947 (*in millions*)
United States proper	144
Complete domination—minimum estimate of colonial and semi-colonial empire[1]	197
In process of transition to U.S. colonial domination[2]	96
Military occupation (Japan and Western Germany)	126
	563

(VICTOR PERLO, *American Imperialism*, New York, 1951.)

All this programme of extending world expansion and domination has been nominally conducted for the "defence of United States interests and security" and in pursuance of the American doctrine of the "cold war" (the phrase is of American coinage), proclaimed by the State Department and President Truman to be the guiding principle of American foreign policy in the current period for the "containment" of the Soviet Union and Communism. The analogy with the Nazi programme of expansion and aggression in the name of "Anti-Communism" and the "defence of civilisation against the Soviet Union" is evident. The American "cold war" doctrine has proved as elastic in its interpretation as was the old "Anti-Comintern Pact" of Hitler, Mussolini and Hirohito. The "Anti-Comintern Pact" finds its resurrection in the Atlantic Pact, and appropriately seeks to include in its orbit the revival of German Nazism and Japanese militarism.

The doctrine of the "cold war," replacing the older Monroe Doctrine of non-intervention by a policy of universal intervention in other countries, received its initial programmatic expression in Churchill's Fulton speech of March, 1946 (delivered under the presiding chairmanship of President Truman); was first officially promulgated as the governing line of American foreign policy from the beginning of 1947; and received its first official embodiment in a major act of American policy in the proclamation of the Truman Doctrine in March, 1947. It is thus worth noting that it *preceded* and did not follow the rejection of the Marshall Plan of economic intervention by the Soviet Union and the People's Democracies of Eastern Europe, in the summer of 1947; it *preceded* the formation of the Communist Information Bureau in September, 1947 (which was a defensive answer to American interventionist strategy in

[1] American hemisphere (excluding Argentine), Hawaii, Philippines, Liberia, Saudi Arabia, Greece, Turkey, Israel.
[2] Argentine, Spain, Egypt, Thailand, Yugoslavia.

Europe); it *preceded* the democratic victory over the attempted right-wing coup in Czechoslovakia in February, 1948. Thus it preceded all the events which have been subsequently quoted by apologists, with their customary falsification of history, as the causes and justification of the policy.

Walter Lippmann's pamphlet, *The Cold War, a Study in U.S. Foreign Policy*, was published in 1947. Walter Lippmann criticised the policy in the following terms:

> "The policy can be implemented only by recruiting, subsidising and supporting a heterogeneous array of satellites, clients, dependents and puppets. The instrument of the policy of containment is therefore a coalition of disorganised, disunited, feeble or disorderly nations, tribes and factions around the perimeter of the Soviet Union....
>
> "It would require, however much the real name for it were disavowed, continual and complicated intervention by the United States in the affairs of all the members of the coalition which we were proposing to organise, to protect, to lead and to use."

Subsequent events have abundantly proved the correctness of this prediction.

The overt aims of the "cold war" and plans for an eventual third world war have been directed against the Soviet Union and the People's Democracies, since this is the one-third of the world which has won liberation from imperialism and alone remains, as *The Times* editorial of August 29, 1951, noted, completely independent of American domination and control. The aims of American world domination require the overthrow of this independent power, just as the aims of the re-establishment of imperialist rule require the defeat of the advance of socialism and of popular democracy and colonial liberation.

But these ultimate major aims require as their presupposition and first step the building up of a coalition of governments and armed forces under American control over the remaining two-thirds of the world. The long-term strategic plans require the preliminary conquest of control of the periphery, and establishment of a chain of bases and hinterland territories from which to launch the offensive. These territories cannot be in the American continent (apart from Alaska), but must be in eastern Asia, the Middle East and Western Europe. Hence the first stage of the American world offensive is directed towards winning control of these regions.

Thus, while the *propaganda* of the American world offensive is conducted in the name of the anti-Soviet and anti-Communist crusade, in similar terms to the previous similar crusade of the Axis (even to the extent of unabashedly taking over the formulas of Nazism, such as Goebbels' coinage, "the Iron Curtain"), the *practical immediate drive* of expansion in the first phase has been

directed to extending penetration and domination *at the expense of the Western European imperialist powers and their colonial empires.* This coincides with the aim of the stronger American imperialism to bring under its sway and weaken the older imperialist powers of Europe, and especially its main rival, British imperialism.

4. *Penetration of the British Empire*

The strategy of the offensive of American imperialism against the British Empire has developed through successive phases of the Loan Agreement; the Havana Trade Agreement; the Truman Doctrine; the campaign against Imperial Preference; the Marshall Plan and consequent trading restrictions; President Truman's Fourth Point; the enforcement of devaluation to weaken the sterling bloc; the Atlantic Pact and rearmament programme, with new strategic organs of control; the re-equipment of Western Germany and Japan as industrial rivals; and the stockpiling raw materials offensive, with its disastrous effects on the British balance of payments.

The abrupt ending of Lend-Lease after the conclusion of hostilities and lifting of controls, with the consequent boom inflation of American prices, intensified Britain's economic difficulties at the end of the war and prepared the way for acceptance of the Loan Agreement.

The Loan Agreement established the shackling restrictions of "non-discrimination," which hindered British attempts to seek freedom from dependence on dollar supplies or extend economic relations with Empire countries in order to diminish dollar dependence.

The Havana Trade Agreement and the insistent pressure for multilateral trading carried forward the offensive against Imperial Preference. This offensive was reinforced by the conditions imposed through the Marshall Plan, and was further pressed forward at the Torquay Trade Conference in 1951.

The Truman Doctrine expressed the American strategy to establish suzerainty in the Middle East, and proclaimed the new imperialist technique of imposing economic and political control over nominally independent countries through the supply of subsidies and armaments and the maintenance of docile governments on this basis.

The Marshall Plan further developed this expansionist and interventionist technique to the new stage of establishing direct economic organs of control in the metropolitan countries of Western Europe, and at the same time included special provisions for the supply of strategic raw materials from the colonies of the European powers to the United States.

With the new dollar crisis of 1949, arising from the fiasco of the Marshall Plan, the offensive for devaluation was opened, directed to undermine the basis of the sterling bloc which is mainly the economic expression of the grouping of the countries of the British Empire.

The victory of this offensive, with the devaluation of the pound in September, 1949, represented the further triumph of the dollar as the dominant world currency of capitalism over the disinherited pound—that is, of American over British imperialism.

President Truman's "Point Four" Programme, originally proclaimed in his inaugural address of January, 1949, set out openly the aims of American world financial penetration and expansion in the colonial areas of the European powers.

> "We must embark on a bold new programme for making the benefits of our scientific advances and industrial progress available for the improvement and growth of undeveloped countries....We should foster capital investment in areas needing development."

Secretary of State Dean Acheson, pressed to explain more concretely the kind of areas in mind, gave one specific instance only —India. Subsequent events testified to the rapid advance of American penetration of India and the active schemes for the United States to displace British hegemony in the main base of the British Empire, India, and also in the Middle East and a wide range of Empire countries.

The Atlantic Pact, signed in April, 1949, established a new series of military and strategic organs under United States leadership, alongside the previous economic organs, to regulate and organise the array of satellite countries—at first nominally as a regional alliance of countries bordering the Atlantic, but later, with the dropping of the geographical pretence, extended to include Greece and Turkey, and thus revealing itself as the military coalition of the United States and its satellites.

The ramifications and consequences of the Atlantic Pact were even more far-reaching than those of the Marshall Plan. Economic and political intervention, which was previously conducted in the name of the Marshall Plan and the alleged aims of "recovery" was now conducted on a far more extensive scale in the name of the requirements of military preparedness, strategic plans and unification of command, and the prosecution of the "cold war." Heavy economic bans and trade restrictions were imposed on East-West trade, which had especially crippling effects on Britain's overseas trade and intensified dollar dependence and the dollar deficit. With the backing of American capital for re-equipment, West German and Japanese industrial exports were rapidly expanded at the expense of British. American air bases in Britain, originally

established in 1948, were extended and multiplied. The colossal rearmament programmes imposed in 1951 dealt a shattering blow to the economy of Britain and West European countries. At the same time the still more gigantic American rearmament programme and stockpiling of raw materials simultaneously extended the American stranglehold on the economy of the British and European colonial possessions in South-east Asia, to counter the British monopoly of tin and rubber, and, by sending the price of raw materials rocketing, further unbalanced Britain's terms of trade, bringing a new and heavier deficit.

By 1951 Britain's dollar deficit on the balance of payments reached a new crisis, paralleling 1947 and 1949 in gravity. As the renewed requests for dollars poured in from the ruined Western European pensioners, the old masked Marshall formula of "Economic Aid" for "recovery" was replaced by the open face of "Military Aid" for war, and from 1952 the "Economic Co-operation Administration Agency" was replaced by the "Mutual Security Administration Agency."

How far has this programme of American increasing penetration and subordination of the British Empire been carried out in practice? The answer to this question requires a more concrete examination of recent developments in a series of spheres.

The extent of American trade penetration into the countries of the British Empire is indicated in the following table:

Table 20

UNITED STATES EXPORTS TO BRITISH EMPIRE COUNTRIES

(In Millions Of Dollars)

	1938	1951	*Per Cent. of increase*
Australia	61.5	176.5	186.9
Canada	489.1	2,516.2	414.4
Ceylon	1.6	19.1	1,093.7
India and Pakistan	42.8	501.8	1,072.4
Malaya	10.0	57.4	474.0
New Zealand	16.5	58.2	252.7
South Africa	69.1	246.5	256.7

Although these are figures of value, and not of volume, and allowance must accordingly be made for the rise of prices, the general tendency of increase, in some cases considerably beyond the rise in prices, is visible.

Even more important has been the advance of American financial penetration and capital investment in the British Empire.

Already by 1943 the total value of United States-owned property abroad was $13,350 million, of which over two-fifths was in the British Empire, mostly in Canada. Yet before the war the United States was not a big exporter of capital (proportionately) compared

to Britain, and her pre-war overseas capital holdings were considerably less than those of Britain.

Table 21

VALUE OF U.S.-OWNED PROPERTY ABROAD (MAY 31, 1943)

		$ *Million*	*Per cent.*
British Empire		5,680	43
Canada	4,400		
West Indies	920		
India and Burma	55		
Africa	145		
Australasia	160		
Europe		4,635	35
Latin America		2,410	18
Other		625	4
Total		13,350	100

(*Balances of Payments*, 1939-45, United Nations, 1948.)

Since the end of the second world war a large proportion of the export of American long-term capital has been government capital, used to influence and extract concessions from governments of other states, and thus open the way for economic subjugation and extending private investment on terms acceptable to the investors (e.g. convertibility of profits into dollars, guarantees against nationalisation, tax concessions, etc.). Of the total gross outflow of United States long-term capital, government capital comprised 24 per cent. in 1946 and had risen to 42 per cent. in 1949.

The direction of the outflow of capital was mainly to the Marshall Plan countries and dependencies and Canada:

Table 22

DIRECTION OF U.S. TOTAL NET EXPORT OF LONG-TERM CAPITAL (GOVERNMENT AND PRIVATE)

	$ *Million*			*Total*
	1946	1947	1948	1946-8
Marshall Plan countries	2,496	3,968	1,281	7,745
Marshall Plan dependencies	94	24	114	232
Canada	26	—150	219	95
Total of above	2,616	3,842	1,614	8,072
Other Europe	244	50	27	321
Latin America	—25	410	303	688
Others (including International Monetary Fund and International Bank)	768	3,439	73	4,280
Grand total	3,603	7,741	2,017	13,361

Thus 60 per cent. or three-fifths of the total United States export of long term capital during the years 1946-8 went to the Marshall Plan countries and dependencies and Canada, that is, to the British Empire and other Western European Empires. A considerable proportion of the remainder, through the International Bank, was also channelled in the same direction.

This picture was further confirmed by the analysis of the direction of the total of United States foreign investments in 1950.

Table 23

DIRECTION OF U.S. TOTAL CAPITAL HOLDINGS (GOVERNMENT AND PRIVATE) IN 1950

	$ Billion	*Per cent.*
Marshall Plan countries	12.7	36.6
Marshall Plan dependencies	0.7	2.0
Canada	7.3	21.0
Total of above	20.7	59.6
Other Europe	1.1	3.0
Latin America	6.5	18.7
Other countries	2.6	7.5
International institutions	3.7	10.7
Grand total	34.6	100.0

Three-fifths of American overseas capital in 1950 was in the British Empire or other Western European empires.

Especially marked has been the extension of American capital interests in the Dominions. In Canada, United States investments rose from 4 billion dollars in 1939 to over 9 billion by 1951, heavily outweighing British capital in Canada, which fell from 2.5 billion dollars in 1939 to 1.6 billion in 1948.

> "British investment in Canadian business is now barely one-third of the American... Last year's capital inflow for direct investment was only $28 million from Britain, and $259 million from the United States."
>
> (*Financial Times*, July 23, 1952.)

In 1949-50, no less than 70 per cent. of Canada's imports came from the United States, and only 12 per cent. from Britain; 58 per cent. of Canada's exports went to the United States, and only 20 per cent. to Britain.

> "To-day two-thirds of Canada's foreign trade is conducted with the United States....Accurate statistics of the number of American-owned plants in Canada are difficult to secure, but

they represent more than one third of Canada's industrial establishments."

(*Manchester Guardian*, August 28, 1951.)

In Australia, United States capital investment in new companies formed since the war totalled, according to Australian Government figures, during the six years 1945 (June) to 1951 (June) £A. 27.1 million. During the following year, from June, 1951, to June, 1952, new United States capital investment in Australia shot up to £A. 50 million, or nearly twice the investment of the previous six years combined, and about twelve times greater than that of 1950-51. A loan of $100 million from the International Bank to Australia in 1950 was followed by the announcement of a further loan of $50 million in 1952. The cultural, political and strategic penetration and dominance of the United States, already strongly developed in Canada, has been increasingly extended in Australia and New Zealand. This was further exemplified with the conclusion of the Pacific Pact of the United States, Australia and New Zealand in 1951, to the exclusion of Britain.

In India the initial signs of penetration of American capital were already reported by the official organ of the British Export Trade Research Organisation, the *Betro Review*, in its issue for November, 1947.

> "The determination of American capital to enter the Indian market is becoming more and more obvious.
>
> "There has been a considerable influx of American technical experts into India....Parallel to the Indo-British combines for manufacture in India, the Americans are also participating in joint Indo-American industrial production....Americans seem to be associated with all the major development projects in the Indian Dominion."

However, lack of confidence in political conditions restricted the volume of private capital investment from the United States in India. The visit of Premier Nehru to the United States in the autumn of 1949 prepared the way for closer relations; a considerable American publicity offensive in India followed, with large-scale buying up of Indian press organs; and the question of grain supplies for the Indian food shortage in 1951 was used as an instrument of pressure. By the end of 1951 a new stage of large-scale penetration of American capital in India was opened by the signature of important agreements for the construction of giant oil refineries in India, on terms excluding nationalisation for twenty-five years, and with 75 per cent. of share ownership in American hands. This was carried further with the Indo-American Technical Co-operation Agreement of 1952. These new developments are examined in more detail in the next chapter.

In the Middle East the advance of the American oil companies and American strategic influence continuously pressed back the former dominant British interests. In 1938 the Middle East oil output totalled 16 million tons, of which the United States controlled 2 million, or one-eighth. By 1950 the Middle East oil output had increased to 87.6 million tons, of which the United States controlled 40.4 million, or nearly one-half. By the beginning of 1949 the *Observer* (January 9, 1949) wrote:

> "The political landscape of the Middle East is no longer what it was in 1945 when our military planners regarded it as the key area of imperial defence. Since then, the United States and not Britain has become the Power on which the security of this important area mainly rests....We have nothing to regret in this change of guard in the Middle East."

This process was carried rapidly forward in the ensuing years, especially with the American role in the crisis in Iran in 1951 over the nationalisation of the oil industry, leading to the withdrawal of the British oil personnel and the evacuation of Abadan, and the subsequent attempt of American capital interests to take over through the World Bank; and in the crisis over Britain's position in Egypt and the Sudan in 1951-2.

In Africa the immediate prospects during the first few years after the second world war were regarded as unfavourable for any extensive investment of American private capital, pending the necessary unprofitable "development" expenditure on transport and utilities (*Report of the United States Chamber of Commerce* for 1949). But Marshall Plan funds were found useful for this purpose, and during the more recent period the penetration of American capital has begun to develop at an increasing pace. In 1951 the "Economic Co-operation Agency" voted $7,700,000 for "development of British Overseas Territories", with special allocations affecting the Gold Coast, Nigeria and Sierra Leone. In July, 1951, Mr. W. L. Batt of the E.C.A. Mission to the United Kingdom announced that £5,000,000 would be directed to financing the Rhodesian Railways' development programme. The London financial press did not fail to note the significance of this invasion:

> "There may be some surprise that funds which traditionally would have come from the London market should be coming from other sources. It is not difficult to see the connection between the new United States' financing for the Railways and the Copper Industry itself."
>
> (*Financial Times*, July 7, 1951.)

In the Northern Rhodesian copper belt American financial interests had won by 1952 (through subsidiaries) a predominant position, consequent on the establishment of control by the Rhodesian

American Metal Company over the principal operating concerns: Mufulira Copper Mines (gross profits in 1952, £8,270,000); Roan Antelope (gross profits in 1952, £8,280,000); and Rhokana (gross profits in 1952, £12,116,000, with 225 per cent. dividend). A survey of the rapid advance of American financial interests in African mining by 1952 was made in the article on "U.S. Interest in African Mines," which appeared in the *Financial Times* of March 22, 1952. In September, 1951, the American-controlled O.E.E.C. ("Organisation for European Economic Co-operation") announced that $8,000,000 would be allocated for economic development in Africa south of the Sahara "to develop the most profitable new sources of production and new forms of wealth." At the same time the International Bank announced the sending of a Mission to Southern Rhodesia; and the Southern Rhodesian Minister of Finance boasted on August 23, 1951, that there was "no limit to the dollars we can have." There is evidence of the very active interest of American financial groups in the schemes for Central African Federation.

In South Africa American financial penetration has been especially marked. Already in 1946 the merger of the New York banking group, Ladenburg, Thalman and Co. and Lazard Freres (reflecting Rockefeller interests) with British-South African interests prepared the way for the acquisition during 1947 by this group of investment control over extensive mining properties and more than one hundred South African industrial companies—an operation hailed by *Time* magazine as "the first big beach-head of American capital in South Africa." Morgan interests, through the Anglo-American Corporation, established control over more than forty South African and Rhodesian companies, including diamond mines and new gold-mining properties. In the Orange Free State the Kennecott Copper Corporation of New York took a large part in the launching of two new gold-mining companies (Virginia and Merrespruit). In South-west Africa, under the aegis of American Metals and the Newmont Mining Corporation of Delaware, the Tsumbeh Corporation was formed to take over the assets of various previously German-owned mining and railway companies. A very considerable volume of American capital, in conjunction with British capital, has been put up for the large-scale production of uranium in South Africa, with an estimated capital cost of £40,000,000 for the plant projected.

Of especial interest have been the American measures to secure a monopoly hold on the uranium of the Congo, which has supplied 90 per cent. of the uranium used by the United States for the production of its atomic bombs.

> "It has been estimated that over ninety per cent. of the high grade uranium ore supplies of the capitalist world are

in American hands. The preclusive buying and eventual control of Congo pitch-blende, combined with exploration for new sources in South Africa, has provided a basis for the American penetration of Africa."

(Dr. E. H. S. BURHOP, *The Challenge of Atomic Energy*, 1951, p. 90)

The uranium mines of the Belgian Congo have been operated by a Belgian company, the Union Miniere du Haut Katanga, the controlling interest in whose shares has been held by the British monopoly Tanganyika Concessions. In April, 1950, the British Government sold 1,677,961 of the ordinary shares of Tanganyika Concessions (or nearly half the total of 3,831,412 issued ordinary shares), which it owned at the time, to an Anglo-Belgian group, which in turn sold 600,000 of these shares to an American group associated with the Rockefeller monopoly interests. According to the posthumously published memoirs of Senator Vandenberg, one of the conditions of aid to Britain in connection with the Marshall Plan, was that the United States should obtain a share in the development of uranium in the Congo. Thus it would appear that, not only did the Churchill Government during the war hand over to the United States the results of British atomic scientific research without condition of return, but the Labour Government after the war surrendered to the United States a key proprietary interest in the uranium of the Congo, on the basis of which the United States sought to develop its would-be atomic monopoly, excluding Britain.

All these are only initial indications of the extending American finance-capitalist invasion of Africa.

In the West Indies American finance-capital has established an increasingly decisive grip on the economic life of the islands. On the one hand, American pressure on Britain on behalf of Cuban sugar and tobacco interests has had the most adverse effects on the previous structure of West Indian economy, reflected in widespread unemployment. On the other hand, American big business marched in to take over and open up the enormous deposits of hitherto untouched bauxite. In March, 1950, the *Crown Colonist* reported that Reynolds Metal Corporation, which controls about 30 per cent. of American aluminium production, had announced a huge development programme to commence mining with an initial output of 400,000 tons, the programme to be assisted by a £4,000,000 grant from E.C.A. In April, 1951, another American company, Kaiser Metals, came forward with a $115 million scheme; and it was announced that three companies, Reynolds, Kaiser and Jamaica Bauxite were to develop 100 million metric tons of 50 per cent. bauxite. The President of Reynolds Refining Company stated that the area "contained enough bauxite to supply the United States with aluminium for many years" (*Financial Times*, May 19, 1951).

No less significant has been the American drive against the still surviving spheres of British monopoly in colonial raw materials —especially rubber and tin, the great "dollar-earners." American rubber plantations in Indonesia have increased from 100,000 acres before the war to 1,000,000 acres or one-ninth of the total rubber area. The American development of synthetic rubber and cutting down of purchases of natural rubber from British colonial sources dealt a blow to the economic structure of Malaya and Ceylon. Exports of rubber, tin, cocoa, diamonds and wool from sterling sources to dollar areas were slashed by half from $120 million in the first quarter of 1949 to $60 million in the second. The subsequent American stockpiling programme, in connection with the Korean war and rearmament, in 1950-1 led to a feverish boom in the prices of rubber, tin and other raw materials from British colonial territories, and thus made possible the illusory "solution" of the sterling dollar deficit for 1950. But the real effect, through the skyrocketing of the prices of raw materials, dealt a heavy blow to Britain's terms of trade, reflected in the record deficit on the balance of payments in 1951, and placed British industry in increasing difficulties through shortage of raw materials; while the closing down of American stockpiling purchases of tin and rubber in the second half of 1951 led to a rapid fall of prices and the development of new problems.

Thus the American domination of world capitalist economy and consequent capacity to manipulate or influence the prices of raw materials has been used to initiate successive sharp disorganising changes in either direction, consequent on sudden decisions of American policy. That this techinque was in fact used to undermine the basis of British Empire raw materials and strengthen the position of dollar raw materials, was powerfully illustrated in the character of the price changes, following the slow-down of United States stockpiling, during 1951:

Table 24

PRICE CHANGES, APRIL TO NOVEMBER, 1951

Dollar Materials	*Increase per cent.*	*Empire Materials*	*Decrease per cent.*
Wheat	+8	Cocoa	—25
Copper	+12	Rubber	—28
Zinc	+11	Tin	—18

(President of the Board of Trade, House of Commons, November 29, 1951.)

The net effect of this large-scale American Government-backed gambling in raw materials, with its feverish ups and downs, has been to weaken Britain's world position and strengthen the developing American stranglehold on the British colonial empire.

At the same time the American financial-political offensive has been pressed forward against the Sterling Bloc, the basis of Britain's economic organisation to hold together the countries of the Empire (other than Canada and South Africa) with London as the centre. On January 8, 1948, the *Economist* wrote:

> "Unfortunately, American hostility to the sterling area goes deeper than the reasonable desire to see that Marshall dollars are used for approved purposes. In part, the hostility is a reflection of that almost instinctive aversion that most Americans feel—and that so few Britons can fathom—for all of the symbols that unite the British Commonwealth of Nations."

The conscious aim of American imperialist expansion to establish an effective hold on the raw materials of the British colonial empire and of the other European colonial empires was explicitly proclaimed in the Report of the Paley Commission, set up by President Truman in 1951 to enquire into America's future needs of raw materials. The Paley Report, published in five lengthy volumes in June, 1952, found that, whereas in 1900 the United States produced 15 per cent. more raw materials than it consumed, by 1950 it consumed 9 per cent. more than it produced and by 1975 might well be consuming 20 per cent. more. Hence the classic demand of imperialism, long ago analysed by Lenin, for control of the sources of raw materials, found explicit expression in the Paley Report. The Paley Commission recommended the negotiation of "investment treaties" between the United States and countries with undeveloped resources, together with long-term purchase contracts for raw materials. How closely these "investment treaties" would come to political control and virtual annexation of the colonial and semi-colonial dependencies of Britain and the other European powers was made clear by the terms of the Report:

> "In the contemplated Special Resource Agreements, the resource country's government would pledge its co-operation in removing the uncertainties which chiefly deter investors, in return for guaranteed prices or purchase commitments by the United States Government, plus an assurance that the United States would facilitate investment in both resource and general economic development. The agreement could cover tax laws, regulations applying to foreign ownership and management, administration of the labor code, export regulations, exchange restrictions, import permits, the right to bring in foreign technicians, transport facilities, compensation in the event of expropriation, and other matters of concern to investors."
>
> (*United States Paley Commission Report*, 1952, Vol. I, p. 68.)

Such is the blueprint of United States imperialism for taking over the British Empire and all other European colonial empires.

5. *Antagonistic Partnership*

The rulers of the British Empire have found themselves compelled to accept the increasing American penetration and domination of their Empire with the best grace they can muster. It can be no pleasure to the former lords of the earth to find themselves displaced. Mr. Winston Churchill may most loyally sing the "Stars and Stripes,"[1] yet he cannot but recall that he had once declared that he had not become Prime Minister of England to preside over the liquidation of the British Empire. Mr. Bevin might proclaim his desire to "cease to be English" and become a loyal member of the American satellite organisation in Western Europe,[2] but he continued to proclaim his fervent devotion to the British Empire. If the Churchill-Attlee-Bevin policy in practice capitulated to American imperialism, it was not for love of American imperialism, but because these representatives of current British imperialist policy could see no alternative. And, indeed, *on the basis of their imperialist premise*, on the basis of their hostility to the rising new world of socialism and colonial liberation, these representatives were in fact closing the door to any effective alternative.

The United States monopolists have held the whip hand. American imperialism possesses strategic supremacy, with its control of sea power ending the former British sea power, and control of air power, as well as economic supremacy, with its superiority of merchant shipping and ability to export capital. But without sea power and air power there could be no question of holding an empire spread over the seven seas and five continents. Hence it was regarded as axiomatic by the British imperialists, without need of the test of war, that they could only hope to remain even in nominal possession of their empire by permission of American imperialism. *The former owners became bailiffs.* The Empire was mortgaged, even if the creditors have not yet finally foreclosed. *The British imperialists found it only possible to endeavour to maintain their Empire under the general suzerainty and control of the United States*—with all the consequences that have followed from that dependent and satellite position. This was the significance of Churchill's declaration to Roosevelt in 1941 already quoted: "You know that we know that without America the Empire won't stand."

In this way has developed the present peculiar relationship of

1 "Every one in the Boston Garden Hall was deeply touched when, following the speech, the American National Anthem was played by the Marine Corps band and Mr. Churchill started singing it. None of his companions on the platform followed his example.

"Mr. Churchill sang the 'Stars and Stripes' in the same manner after his famous speech at Fulton" (**Daily Telegraph**, April 2, 1949).

2 "He wanted a practical organism in Europe in which we should cease to be English or French or other nationality, but would be Europeans with an organisation that could carry out a European policy in the face of new developments in the world" (Ernest Bevin, speech to the Foreign Press Association, January 25, 1949, **Times** report).

Britain, the Dominions and the United States: one of subordination to the United States alongside conflict, of *antagonistic partnership*, with the United States in the dominant position.

The Dominions attempt to play both ways in relation to America and Britain. In the period between the wars it was customary to speak of the centrifugal tendencies of the Dominions, that is, the drive to end their dependence on the British centre and establish themselves as independent capitalist powers. To-day the situation is more complex. The aim of establishing themselves as independent capitalist powers has been virtually attained (though the recent decision of the Privy Council upholding the annulment of the Australian Labour Government's legislation for the nationalisation of the banks revealed an example of the legislation of an elected parliamentary majority and its Government in a Dominion being overruled by a superior non-elected organ in London). But the pressure of American penetration and the tendency to American domination has now come to the forefront. This has produced mixed consequences and conflicting currents among different sections of the Dominions capitalists according to the degree of their closer connections with British or American capital. The general influence of the United States on the various Dominions has undoubtedly become stronger; but at the same time the Dominions capitalists fear the domination of American capital, and in consequence seek to a certain extent to play off the relationship with Britain against the relationship with the United States. They fear the loss of the advantages of their trade connections with Britain through the weakening of imperial preference and the development of schemes for closer British and Western European "economic integration" through Western Union. On the other hand, American pressure is exercised to "prod" Britain (in Dewey's phrase) into closer absorption into Western Union and the abandonment of imperial preference. This expresses the policy to weaken Britain's links with its empire possessions and reduce it to the role of a secondary satellite European country.

A signal example of the new balance of relationships was afforded by the Pacific Pact of 1941 between the United States, Australia and New Zealand. The British Government publicly expressed its disappointment not to be included, but at the same time confessed its impotence. The British Foreign Secretary, Mr. Morrison, declared in parliament on April 9, 1951:

> "Of course we are most certainly a Pacific Power, and it would not have been unwelcome to us if we had been included in the proposed pact. But the discussion did not so work out."

Similarly Lord Jowitt, as Lord Chancellor, visiting Australia after the conclusion of the Pact, stated in a broadcast at Sydney on August

19, 1951 that "he wished Britain had been a party to the Pacific Mutual Security Pact":

> "I confess this, speaking for myself, lest it should appear that we are relinquishing our interest in your fate to the United States, and that they are in even closer and more intimate relationship with you than ourselves......
>
> "But Fate has decreed otherwise."

This melancholy complaint did not soften the heart of "Fate." With the ratification of the Pacific Pact in 1952, Australia and New Zealand passed officially into the strategic sphere of the United States. Subsequent renewed appeals by Mr. Churchill as Prime Minister met with a frigid rejection. A further significant step had been carried through in the American penetration of the British Empire.

In Britain the consciousness of this dependent and satellite position in relation to America, despite continuing rivalry, has been visible in all the utterances of the imperialist politicians, however much they might occasionally kick against the pricks on some secondary concrete issue. In every international conference the role of the British representative became to say ditto to the American leader. An obsequious tone dominated official and Press utterance in relation to the United States. This found characteristic expression in the speech of the former President of the Federation of British Industries, Lord Barnby, addressing the House of Lords on April 22, 1947, to criticise the B.B.C. for having committed the *faux pas* of permitting Henry Wallace to broadcast:

> "We were likely for some time to be dependent to a considerable extent on the financial consideration of the United States. Therefore a deferential and respectful attitude was desirable towards the United States at the present moment. We should be respectful to the U.S.A. We should try, where possible, to avoid causing unnecessary annoyance to her."

Or more bluntly in the words of the *Economist* (August 23, 1947):

> "For the present the Americans still retain the power to make the British Government jump through any hoop they choose."

So has developed the special character of the new American Empire as it began to take shape in the present phase. The old-style British Empire was based on the direct territorial domination of one-quarter of the world. The new American Empire is based primarily on economic and financial domination of the entire capitalist world, together with the maintenance of a large number of military, naval and air bases in every continent and intensive armament preparations and a network of military alliances under American control.

The Economic Control Agency, the Financial Adviser, the Joint Strategic Co-ordinating Authority, the Bomber Base replace the old-fashioned crude colonial methods of the traditional British Empire. The new colonial system of the American Empire is hidden behind a host of bodies with a forest of initials incomprehensible to the common man, who is only dimly aware that something queer seems to be happening to his country.

Thus American imperialism appears as a special type of imperialism with relatively few direct colonial possessions. The enfeebled European colonial powers are graciously allowed to keep their colonial empires, that is, to pay the costs and supply the manpower for war against the peoples in Indonesia, Indo-China or Malaya, while the American monopolists draw the cream of the profits. On this basis American imperialism endeavours to present itself as the enlightened non-imperialist power, which seldom except for the disastrous attempt of direct military aggression in Korea soils its hands by using its own manpower, but prefers the politer methods of the threat of the atom bomb, a naval cruise or a training visit of a bomber squadron.

Lenin in his *Imperialism* has described the traditional position of the Portuguese Empire as a satellite of Britain:

> "Portugal is an independent sovereign state, but in actual fact for more than two hundred years, ever since the War of the Spanish Succession (1700-14), it has been a British protectorate. Great Britain has protected Portugal and her colonies in order to fortify her own positions against her rivals, Spain and France. In return, she has received commercial advantages, better terms for exporting goods, and, above all, for exporting capital into Portugal and the Portuguese colonies, and also the right to use the ports and islands of Portugal, her telegraph cables, etc. Between large and small states, relations of this kind have always existed, but during the period of capitalist imperialism they become a general system; they form part of the process of 'dividing up the world'; they become links in the operations of world finance capital."

This analogy from an earlier type has its significance for the present still further developed stage of the satellite relationship of the British Empire to American imperialism.

In the nineteenth century the most sagacious of the Victorian statesmen of still ascendant British capitalism, Gladstone, discerned the beginnings of the decline in the last quarter of the nineteenth century before the advance of American supremacy, and wrote of America in 1879:

> "It is she alone who, at a coming time, can and probably will wrest from us our commercial supremacy. We have no

title: I have no inclination to murmur at this prospect. If she acquires it, she will make the requisition by the right of the strongest and the best. We have no more title against her than Venice or Genoa or Holland has had against us."

But in practice America cannot succeed to Britain's nineteenth-century world leadership; for neither the conditions of the twentieth century world nor of America permit it.

Britain's nineteenth century free trade world supremacy represented at that time the most advanced and progressive stage of civilisation so far reached relative to the conservative, feudal, bureaucratic and despotic institutions still maintaining themselves over the greater part of the European continent in opposition to the rising liberal democratic challenge. The new American World Empire, on the contrary, gathers together all the most conservative forces all over the world in opposition to the advancing tide of the new higher stage of the socialist organisation of society.

Britain accepted the logic of its world economic supremacy, and, becoming the world's greatest creditor, became also the world's greatest importer, allowing its home industry, agriculture and productive equipment to fall into neglect—hence the present tears.

America, on the other hand, tries simultaneously to force up exports, maintain super-production at home and dam imports. The United States surplus of exports over imports, which amounted to 265 million dollars in 1937 and 1,134 million in 1938, attained a level of 9,607 million in 1947, of 5,544 million in 1948, and of 6,200 million in 1949, and was then only reduced by the temporary effects of the stockpiling programme to the still enormous total of 1,400 million dollars in 1950, and rose again to 4,059 million dollars in 1951.

From this follows apoplexy of the capitalist world, expressed in the dollar famine, which is only temporarily allayed by the accumulating American export of capital, grants, Marshall Plans and the rest of it. Each non-American capitalist country adopts desperate emergency measures to restrict imports, impose austerity, and enter into a cut-throat fight for exports in a shrinking world market, an increasing proportion of which is conquered by the superior equipment of American industry, while the austerity-Marshallised countries tie up their economies to dependence on American grants.

Thus the contradiction and even open conflict between the expansionist offensive of American imperialism and the other weaker imperialist powers develops and grows, at the same time as the contrast increases between the deepening crisis of the entire capitalist world and the economic and political advance of the non-capitalist world.

Such is the sick condition of the declining world of imperialism in the mid-twentieth century, which finds special expression in the

Great American Contradiction, that is, the inequality of capitalist development. American capitalism has to sustain the sinking capitalist structure in every other country of the still surviving capitalist world, at the same time as its lusty competitive power continues to enfeeble still further and knock out the same structure which its diplomacy is striving to sustain.

This Great American Contradiction received recognition in the remark of the Professor of Economics at Harvard University, Professor Harris, when in a letter to the *New York Times* on July 5, 1949, he spoke of the "schizophrenia" of American policy which—

> ". . . .seeks to make Western Europe sufficiently robust to leave her invulnerable to the Communist threat, but perhaps also sufficiently anaemic so that she will not compete successfully with exports from this country."

In this connection the words of Mao Tse-tung are apposite:

> "The American reactionary has a heavy burden. He must sustain the reactionaries of the entire world.
>
> "And if he cannot sustain them, the house will fall down. It is a house with one pillar."

CHAPTER VIII

NEW TACTICS OF IMPERIALISM: INDIA

"If an indigenous government took the place of the foreign government, and kept all the vested interests intact, this would not even be the shadow of freedom."

JAWAHARLAL NEHRU, *Whither India?*, 1933.

INDIA has been for centuries the main base of the British Empire. Great changes are taking place in India in the present era, and there is no doubt that still more far-reaching changes are in prospect. But there is considerable lack of agreement on the character of the changes that have so far taken place, or whither the new conditions are tending.

It is the familiar claim of all official spokesmen to-day, equally of Conservative, Liberal and Labour Party leaders, that the "old imperialism" is dead. To attack "imperialism," it is therefore held, is to flog a dead horse. It has been replaced by a new regime of freedom, self-government and friendly co-operation.

Lord Inverchapel, as British Ambassador to the United States, informed a Baltimore audience in February, 1947: "British Imperialism is as dead as Queen Anne."

There is some difference of opinion among the experts as to when the demise took place. General Smuts preferred to date it from the turn of the century:

"The old British Empire died at the end of the nineteenth century. To-day it is the widest system of organised freedom which has ever existed in human history."

(GENERAL SMUTS, *Times*, January 11, 1943.)

It is evident that General Smuts was inclined to date the dawn of the new era from the time when he and his fellow Boer exploiters were drawn into the charmed circle to exercise their system of colour-bar repression of four-fifths of the South African population in the name of "organised freedom."

On the other hand, Pandit Nehru and Mr. Attlee have preferred to date the change from the time when they themselves became rulers in the Empire.

Already on January 13, 1940, *The Times* described the Empire as "this free association of nations, peoples and tribes, owing allegiance to the same sovereign." In fact at the time seven in eight of the population of the Empire were subject to open despotic rule directed from London.

During the period of the Labour Government, however, Ministers emphasised that the reign of imperialism continued until their own advent to power brought the dawn of the new era of freedom.

In proof of this contention it is customary to cite the granting of Dominion status to India, Pakistan and Ceylon, and of formal "independence" to Burma.

Thus in June, 1946, Mr. Attlee, speaking at the Labour Party Conference, declared:

> "We ask for others the freedom we ask for ourselves. We proclaim this freedom, but we do more than proclaim it. We seek to put it into effect: witness India."

How far do the facts justify this claim?

1. *Technique of Formal "Independence"*

At the outset, in order to answer this question it will be worth while to take a wider view of modern imperialist development.

In the most recent period of imperialist policy a new technique has been evolved and elaborated and more and more widely used, which may be termed the *technique of formal "independence."* The principle is not in itself new; it is indeed only the continuation of the old principle of concealed rule which was characteristic of the earlier period of British domination in India: but it has received a further extension and elaboration in the modern period, as a method of countering the advance of national liberation movements.

The essential character of this technique was defined by Lenin in 1920:

> "It is necessary constantly to explain and expose among the broadest masses of the toilers of all countries, and particularly of the backward countries, the deception systematically practised by the imperialists in creating, under the guise of politically independent states, states which are wholly dependent upon them economically, financially and militarily."
>
> (LENIN, Draft Theses on the National and Colonial Question, June, 1920.)

It will be noted that the essence of the "deception" which Lenin is here concerned to expose consists in the fact that the nominal "political independence" of these states, which are "created" by imperialism, is rendered illusory by the real *economic, financial* and *military* dependence. This is a very important guiding line in

estimating the true position of these states which are established, with formal political independence, by the decree or legislation of the ruling imperialist power.

In the modern period since the first world war this technique of countering colonial revolt received its first try-out and demonstration, as with so many features of the British colonial system, in Ireland. After the failure of the "Black and Tan" terror to crush the Irish revolt, the British Prime Minister, Lloyd George, changed his tactics, sought to find the means of promoting division within the Irish national leadership (Collins against De Valera), and carried through the settlement of December, 1921, with the compromising section.[1] This settlement was imposed by ultimatum with the threat of "terrible war" in the event of rejection. The settlement enforced the partition of Ireland. It established the "Irish Free State" of the twenty-six counties, with initial continued British naval occupation, and "Northern Ireland" of the six counties. The latter was closely tied to Britain and, with British military occupation, served as a garrison for Ireland as a whole. Thirty years later the partition of Ireland remained. Although by 1949 the "Irish Republic" had proclaimed itself outside the British Empire, partition was still upheld by British legislation and British military occupation of Northern Ireland continued.

The next demonstration of this technique in the colonial area outside Europe took place in Egypt in 1922. Here, also, the national uprising of the Egyptian people against British rule in the period following the first world war had made the maintenance of the protectorate untenable, and gave rise to the new experiment. Egypt was proclaimed "independent" by a British statement of policy published on February 29, 1922. But this Declaration stated that certain subjects would remain at the absolute discretion of His Majesty's Government until such a time as a treaty would be ne-

1 The Irish dramatist and poet, Sean O'Casey, in his **Inishfallen Fare Thee Well** (1949), has given an amusing and vivid picture of the character of the Lloyd George-De Valera conversations which preceded the 1921 settlement, and which anticipated in many respects the similar Cripps-Nehru-Mountbatten conversations a quarter of a century later:

"In and out of the smokey jabber, the generals astroll in their uniforms, the flame of the bonfires, the exuberant prayers of the people on their quiet way to God, and the just hopes of the country, went the long and lone chainletter of dearsirsiamfaithfullyyoursismishelemeasmor between Lloyd George at-home in London and Ayamonn De Valera half-at-home in Dublin, asking how where when why which what when Ireland could and in what way accomodate herself when she sat down or stood up in or out of the Empire, insulated from the association which would hamper and help by being beside or well away from what was canonistically known as the British Family of Nations, with a fine formula in one hand to enable Ireland to be the one and a different thing at the same time, to stand on a republican rock while swimming in the sea of imperialism, the juxtapositional problem solved by alternative proposals, one in the hand of De Valera which he read to Lloyd George when he wasn't listening, and the other held by Lloyd George which he read when De Valera was busy lilting I'm in my sleeping and don't Waken Me; each of which and both together was were to tighten things that had been loose, and loosen things that had been tight between Ireland and England for the last seven hundred years **anno domine dirige nos.**"

gotiated between Britain and the Egyptian Government with regard to their regulation. These special subjects comprised:

1. Security of Empire communications in Egypt;
2. Defence of Egypt;
3. Protection of foreign interests and minorities in Egypt;
4. The Sudan;
5. Egypt's relations with foreign States.

These terms were rejected by the Egyptian national government. Nevertheless Egypt was proclaimed independent: Fuad was installed as King and a suitable Prime Minister found. British martial law was maintained in Egypt until August, 1923. In this way Egypt became "independent."

Thirty years later, by the first half of 1952, negotiations were still at a deadlock between the British and Egyptian Governments with regard to the unsettled question of the final withdrawal of British troops from the Canal Zone and the future of the Sudan. In October, 1951, the Egyptian Government denounced the Anglo-Egyptian Treaty of 1936, repudiated the Anglo-Egyptian Condominium of the Sudan, proclaimed the unification of Egypt and the Sudan, and demanded the withdrawal of British troops from the Canal Zone. British military reinforcements were sent to the Canal Zone, and armed hostilities followed in the beginning of 1952.

Since the example of Egypt in 1922 this new imperialist technique has been further elaborated and extended. In 1927 Iraq was proclaimed "independent" under King Feisal—with treaty provisions covering the maintenance of British bases. After the second world war examples multiplied. In 1946 Transjordan was hastily proclaimed "independent" under King Abdullah, to prevent its former mandatory status being transferred to trusteeship under the United Nations, with special provision for British military control of its armed forces and a two-million-pounds annual subsidy from the British taxpayer. In 1947 the United States took a leaf from the book of British imperialism and proclaimed the Philippines "independent," subject to maintenance of American economic rights, American military bases and an American Military Mission with retention of American troops for these purposes. In 1948 Burma was proclaimed "independent" under a treaty providing for the maintenance of a British Military Mission, payment of debt interest instalments to Britain and protection of British monopoly interests. In 1952 Libya was proclaimed "independent" under the British nominee, King Idris, with special provision for continued British military occupation in the initial period, for British financial subsidies to the new government, for Libya to be included in the sterling bloc, and for a British chief financial and economic officer to be attached to the Ministry of Finance.

An examination of these examples would indicate that the use of the term "independence" is elastic, and that the label on the bottle is no guarantee of the contents. The examples cited cover a variety of forms, ranging from what would have formerly been frankly termed a protectorate or puppet state, as in the Middle Eastern examples, to more subtle forms of indirect rule. In every case it is obviously necessary to look behind the diplomatic conventions and paper formulas in order to judge the real concrete conditions and relations of power.

Reality in all these cases reveals a different picture from the diplomatic fiction. Imperialism has by no means yet withdrawn from the colonial countries on which "independence" has been conferred by imperialist fiat. The essence of the imperialist colonial system lies, *first*, in the economic exploitation of the colonial country, its resources and manpower, in the interests of the big monopolies of the imperialist power; *second*, in the strategic domination of the country and its absorption in the imperialist bloc on the world scale; and *third*, in the maintenance of a political system capable of fulfilling these aims in the interests of the imperialist power. The particular political form is subordinate to these essential purposes.

By all these tests the colonial countries on which formal "independence" has been conferred remain, with greater or less openness—crudely, as in the case of Transjordan under the subsidised King Abdullah, or more subtly in the case of a more developed territory handed over to the administration of compromising bourgeois interests economically and strategically tied to imperialism —colonial or semi-colonial countries, even though at an advanced stage of decay of the old imperialist power. The vested interests of the great imperialist monopolies, dominating and strangling the life of the country, are maintained and protected and guaranteed by special treaty arrangements. Joint military arrangements are maintained, with varying degrees of direct occupation, control by military missions and upkeep of bases. Joint warfare or repression by imperialism and the puppet governments is carried out against the liberation struggle of the colonial peoples and against the working-class movement.

2. *Liberation of India and Southern Asia?*

It is in the light of this new technique of modern imperialism, this technique of formal "independence," with practical continuance of colonial or semi-colonial conditions for the mass of the population, that the latest examples of India, Pakistan, Ceylon and Burma, and especially the crucial case of India, need to be examined.

The first point that is important to note is that the political

changes, executed by imperialism in India, Pakistan, Ceylon and Burma since the war, were not so entirely "voluntary" an "abdication" as suggested. In the view of competent and well-informed British observers on the spot, these political measures were compelled by the depth of the crisis and the popular upsurge following the war, reaching to the armed forces, and were regarded as the only means to avert or postpone a revolution:

> "India in the opinion of many was on the verge of a revolution before the British Cabinet Mission arrived. The Cabinet Mission has at least postponed if not eliminated the danger."
>
> (P. J. GRIFFITHS, leader of the European Group in the Indian Central Legislative Assembly, speech to the East India Association in London, June 24, 1946.)

In his *Mission with Mountbatten* (1951) Alan Campbell Johnson reproduces the verdict of Lord Ismay, who was Mountbatten's Chief of Staff in India, when he sought to justify the settlement against critics:

> "India in March, 1947, was a ship on fire in mid-ocean with ammunition in the hold. By then it was a question of putting out the fire before it reached the ammunition. There was, in fact, no option before us but to do what we did."

Even the then Editor of the *Daily Mail* admitted that if the Government had wanted to stay in India "it would have needed an occupation force of 500,000 men"—and no such force was available or could have been made available in view of Britain's other military commitments.

Similary, in the case of Burma *The Times* Rangoon correspondent recorded on March 28, 1947:

> "The mood of the British officials I have talked to is one of resignation. They have been unanimous in declaring that British policy in Burma has been the only one that our resources permit, and that the Anglo-Burmese Agreement was the only alternative to a widespread rebellion with which we could not have coped."

Sir Stafford Cripps, in the Parliamentary debate on March 5, 1947, stated on behalf of the British Government in justification of the policy pursued:

> "What, then, were the alternatives which faced us? These alternatives were fundamentally two, though both, of course, might be subject to minor variations. First, we could attempt to strengthen British control in India on the basis of an expanded personnel in the Secretary of State's service and a considerable reinforcement of British troops, both of which would have been

> required, so that we should be in a position to maintain for as long as might be necessary our administrative responsibility while awaiting an agreement amongst the Indian communities. Such a policy would entail a definite decision that we should remain in India for at least fifteen to twenty years, because for any substantially shorter period we should not be able to reorganise the Services on a stable and sound basis.
>
> "....The second alternative was we could accept the fact that the first alternative was not possible....One thing that was, I think, quite obviously impossible was to decide to continue our responsibility indefinitely and, indeed, against our wishes—into a period when we had not the power to carry it out."

Thus of the "fundamentally two alternatives" envisaged by the Government, (1) to maintain British direct power in India by "a considerable reinforcement of troops" or (2) to make the political transfer on the lines of the 1947 settlement, the first was judged by the Government to be "impossible....we had not the power to carry it out." The simple reader might be excused for concluding that the "two alternatives" were only one. Behind all the complicated parliamentary phraseology the supposed "two alternatives" boil down into one—in other words, *there was no choice.*

In the same way, the *Manchester Guardian* commented in an editorial on October 11, 1947:

> "Public opinion has preened itself on British virtue in withdrawing voluntarily from India: but posterity may dwell rather on the hustle with which the withdrawal was carried out.... It may be hard to disentangle whether the British action was based on high principle or on a less glorious desire to retreat to shelter before the storm broke."

The political settlement of 1947 was thus no magnanimous voluntary gift of freedom by imperialism, but a conscious political manoeuvre extorted and dictated by conditions of crisis which had outstripped the power of the rulers to control it by superior force, and which rendered it impossible for the ruling power to continue to maintain its direct rule in the old fashion.

But did this political manoeuvre carry with it the "abdication" of imperialism and the ending of imperialist domination and exploitation? Or did it represent, on the contrary, only a change of form and method, a new and advanced stage of "divide and rule" culminating in partition, a transition from direct to indirect rule, a transference of immediate governing responsibility, under condition of extreme crisis, to a new reactionary upper class section in the colonial country, the representatives of the big bourgeoisie, who were to become the "junior partner" of imperialism in holding

down the masses of the people and safeguarding the vested interests of imperialism? Experience since 1947 has shown that there is no room for doubt on the answer to this question.

The new Governments which were established in India, Pakistan, Ceylon and Burma were established by a decision in London and drew their authority from a British Act of Parliament. In this connection it is worth noting the terms of the Declaration of February, 1947, which proposed the Mountbatten Settlement in India. The Declaration laid down that—

> "His Majesty's Government wish to make it clear that it is their definite intention to take the necessary steps to effect the transference of power into responsible Indian hands by a date not later than June, 1948."

At the same time the Declaration warned that no Constitution drawn up by a Constituent Assembly would be accepted by Britain unless it were drawn up "in accordance with the proposals" of the Cabinet Mission Plan and "by a fully representative Constituent Assembly," i.e., with the assent of the Moslem League; and that failing such assent of the Moslem League, or if a majority of representatives of the Indian Constituent Assembly should dare to draw up a Constitution not approved by Britain,

> "His Majesty's Government will have to consider to whom the powers of the Central Government in British India should be handed over, on the due date, whether as a whole to some form of central Government for British India, or in some areas to the existing Provincial Governments, or in such other way as may seem most reasonable and in the best interests of the Indian people."

Since this Declaration of February, 1947, is the key guiding statement of policy for the so-called "transfer of power" to a "free India," it is worth noting the very definite character of its formulation. There was no question of a free choice by the Indian people of the kind of government under which they might wish to live. There was no question of a free Constituent Assembly, freely elected by universal suffrage of the Indian people, being entrusted with sovereign powers on behalf of the Indian people to draw up a Constitution without external interference. There was no sovereign Constituent Assembly at all. All these normal characteristics of the genuine establishment of a sovereign independent democratic state were completely absent. On the contrary, the most explicit regulations were laid down beforehand by the overruling British Power as to what kind of Constitution would be permitted. Failing compliance with these regulations and requirements laid down unilaterally by the ruling imperialist Power, it was the ruling imperialist Power which held sole decision and

determined unilaterally to what "responsible Indian hands" the so-called "transfer of power" should be made. In other words, *there was here no establishment of a sovereign independent State, but a delegation of authority by imperialism to such forms of administrative authority in India as imperialism judged expedient in its own interests.* And this in practice is what happened through the Mountbatten Settlement and the establishment of the Dominions of India and Pakistan.

At the same time the technique of Partition, already tried out with considerable success in Ireland, further weakened the new satellite Governments by dividing their authority between two rival states and governments, each continually at cross-purposes with the other, and therefore with imperialism as the final arbiter in the background.

The same process could be traced in the method of establishment of the Aung San Government, later Thakin Nu Government, in Burma. Here nominal "independence" was conferred. But at the same time a Treaty was imposed which saddled the new state with a crushing debt burden equivalent to £120 million, protected the rights of the British monopolies dominating Burmese economy, and provided for a British Military Mission to Burma with British training and equipment for a Burmese Army, and British strategic rights to use Burmese ports and airfields as imperial bases. Not without reason the Labour M.P., Woodrow Wyatt, could claim in his speech in the House of Commons on November 5, 1947:

> "Although the Treaty takes Burma out of the Commonwealth, in fact it leaves her practically in the Commonwealth. It leaves her so closely allied with the Commonwealth that it is true to say that we are in a very special relationship with Burma, one that we are not in with any other foreign Power. The agreement to accept military missions only from this country and not from any other country than this virtually does imply a military alliance. So also do the provisions that provide that Burma will afford all facilities necessary in Burma for the British whenever we wish to bring help to any part of the British Commonwealth. The solidarity of the Defence Agreement....has ensured that there is, in fact, no gap whatever in Commonwealth Defence...."

3. *The New Regimes*

Experience of the past five years has shown how the new regime of formal "independence" has worked in practice in India, Pakistan, Ceylon and Burma. It has also shown the increasing strains to which this whole basically unstable compromise arrangement is subjected.

In Burma the new Government has been engaged in ceaseless war, with foreign arms and aid, against the popular revolt. In India the more advanced development of the upper class big capitalist and landlord elements which entered into association with imperialism had made possible a relatively stronger basis for the new Government, but its reactionary character brought widespread disillusionment and its instability in face of popular discontent became increasingly marked. In Pakistan, with its relatively more backward economic development and dominant role of a handful of rich feudal families, reaction and repression has been even more extreme than in India; and the explosive character of the situation is manifest, as the large-scale "conspiracy" trial launched in 1951 against leading left wing representatives and military personalities, and held in secret, revealed.

The characteristic feature of the new Governments was continuity with the old imperialist regime. The entire administrative machinery of imperialism was taken over and carried forward: the same bureaucracy, judiciary and police of the old imperialist agents and servitors; the same methods of repression, police firing on unarmed crowds, lathi-charges, prohibition of meetings, suppression of newspapers, detentions without charge, persecution of trade unions and peasant organisations and crowding of the gaols with thousands of left-wing political prisoners. The vast assets, investment holdings and financial interests of imperialism in India were zealously protected, and the even flow of imperialist exploitation continued Military control remained in practice in the hands of the imperialist High Command. In the initial stages even the British Governor-General was retained in the same position as the head of the Union, British Governors were maintained for the key Provinces in both Diminions, and British Commanders-in-Chief, military advisers and superior officers for both armies.

Repression of the popular movement, and especially of the working class and peasant movement, has been extreme. In 1948 a general offensive was let loose against the Communist Party and the All-India Trade Union Congress, against the peasants' and students' organisations and against the left-wing Press. In West Bengal and subsequently also in Madras, the Communist Party was banned; in other provinces conditions of semi-illegality were imposed. Arrests and detentions or warrants for arrest reached to practically all prominent working class leaders. Police violence in the jails as well as outside firing on unarmed demonstrators, resulted in many deaths. Repressive laws taken over from imperialism were intensified by new special legislation. By 1949 it was reported by the All-India Trade Union Congress that no less than 25,000 workers' and peasants' leaders were in jail, the overwhelming majority without charge or trial. The Editor of the *New Statesman and Nation* noted in the autumn of 1949:

> "In India, I am told on excellent authority, there are at least 100,000, and perhaps as many as 200,000 Communists and others 'detained'; even if the lower figure is the correct one, it means that the National Government of India has more people detained without trial than the British ever had at a single time."
>
> (*New Statesman and Nation,* September 10, 1949.)

According to the official figures published by the new Indian Government, during the first three years of its rule, between August 15, 1947, and August 1, 1950, its police or armed forces opened fire on the people no less than 1,982 times, killed 3,784 persons and wounded nearly 10,000, jailed 50,000 and shot down 82 prisoners inside jails. These official figures, which are already sufficiently appalling, are likely to be short of the full truth.

No less significant has been the course of economic policy. The original programme of the Indian National Congress had provided for nationalisation of all key resources and industries. Such large-scale nationalisation was recognised as essential, not only for progressive reconstruction, but for eliminating the dominant hold of foreign capital in Indian economy. But after the formation of the Dominion Governments this programme was placed in cold storage.

On February 17, 1948, Prime Minister Nehru declared:

> "There will not be any sudden change in the economic structure. As far as possible, there will be no nationalisation of existing industries."

Reuter's Trade Service Financial Section reported on April 1 from New Delhi:

> "Large-scale nationalisation of existing industries is ruled out in the Government of India's industrial and economic policy for the next ten years."

On April 6, 1948, the Government's Resolution on Economic Policy, substantiating these predictions, was published. The Resolution laid down that Government ownership would be confined to munitions, atomic energy and the railways (where it already existed); that in respect of coal, iron, steel and other leading industries "the Government have decided to let existing undertakings in these fields develop for a period of ten years"; that there would be state control of electricity; and that "the rest of the industrial field will normally be open to private enterprise." Nationalisation was thus abandoned in favour of the existing big monopolies, including the imperialist big monopolies.

The Explanatory Memorandum published with this Resolution on Economic Policy is of especial interest. The Memorandum declared:

> "The apprehension recently felt in Indian markets that the Government might experiment in nationalisation over a wide field of industries, thereby jeopardising their efficiency and credit, has been completely allayed. The expected result of the announcement of the policy will be the restoration to their former level of the prices of Government securities.
>
> "It is expected in knowledgeable quarters that the way is now clear for the Government to float big loans for purpose of reconstruction now that confidence has returned."

The Memorandum then proceeded to give assurances to allay fears of any possible limitation or control of profits:

> "Markets were touchy about the possibility of the Government stepping in to regulate and limit profits in private enterprise. The policy as announced contains no hint of this, and share values are bound to go up. Private enterprise therefore receives encouragement."

"Private enterprise....encouragement," "Share values are bound to go up"—the class basis of this appeal is sufficiently clear.

Nor was any room left for doubt as to the type of "private enterprise" to which this appeal was especially directed, i.e. to imperialism, to Anglo-American capital. The official Memorandum accompanying the Government Resolution laid down the aim in its final clause:

> "The Resolution contemplates full freedom for foreign capital and enterprise in Indian industry while at the same time assuring that it should be regulated in the national interest. This part of the Resolution reveals the Indian Government's recognition of the need for foreign aid both in management and technical training and investment, and of the wisdom of welcoming foreign capital and skill to supplement Indian enterprise."

"Full freedom for foreign capital"—the Mountbatten Settlement was in truth realising rich dividends for imperialism.

Not without reason the *Economist* wrote already at the time of the Mountbatten Settlement, in the issue of June 7, 1947:

> "Something may remain even of the formal ties if Dominion status is not renounced: and in any case the essential strategic and economic ties between Britain and India will remain, even if it is under different political forms."

The continued association of India in practice with imperialism was further shown in the sphere of military, strategic and foreign policy—even though increasing contradictions have subsequently arisen.

The military structure and strategic planning of the Dominions of India, Pakistan and Ceylon continued under British control and guidance. Even the Commanders-in-Chief remained British in the initial period, together with hundreds of British officers functioning in the Indian and Pakistan Armies. This control was especially close in the case of the Indian Navy and Air Force. Military and naval training, staffing and equipment were linked up with Britain, and the operation of air bases with the R.A.F. In Ceylon the naval base of Trincomalee continued to be developed as a main Empire base. Gurkhas continued to be recruited in British recruiting depots on Indian soil for use in the war against the Malayan people.

In foreign policy the alignment of Indian big business with imperialism found open advocacy in the leading organ of Indian financial interests, the *Eastern Economist* on December 31, 1948:

> "In practice—whatever political quibbling may say—our foreign policy has now been given a definite orientation. It is towards a foreign policy which will keep us primarily on friendly terms with the Commonwealth....Association with the Commonwealth which is more friendly to the U.S.A. than to the U.S.S.R. implies that we are in effect leaning towards the U.S.A. The logical consequence of this political fact should be clear. *We cannot in the United Nations or elsewhere take a line except on a minor issue which is contrary to that taken by the Commonwealth and the U.S.A.*"

This alignment of Indian big business received its legal reflection in the London Declaration of the Dominion Premiers' Conference in April, 1949. By this Declaration India agreed to stay in the British Commonwealth or Empire under the British King, while enjoying the formal title of "Sovereign Independent Republic." The official communique declared:

> "The Government of India has declared and affirmed India's desire to continue her full membership of the Commonwealth of Nations and her acceptance of the King as the symbol of the free association of the independent member nations and as such for Head of the Commonwealth."

The London Declaration in practice linked India with the camp of Anglo-American imperialism, though not directly with the Atlantic War Bloc. This alignment was carried forward by Nehru's visit to the United States in the autumn of 1949, when he proclaimed to an applauding Congress that India would not be neutral in a war "for freedom and justice," and was made an honorary

Doctor of Laws by General Eisenhower, President of Columbia University. The *New York Times* wrote in October, 1949:

> "Washington's hopes for a democratic rallying-point in Asia have been pinned on India, the second biggest Asiatic nation, and on the man who determines India's policy—Prime Minister Jawaharlal Nehru."

And again in 1950:

> "He (Nehru) is in a sense the counter-weight on the democratic side to Mao Tse-tung. To have Pandit Nehru as ally in the struggle for Asiatic support is worth many divisions."
>
> (*New York Times*, August 29, 1950.)

The line-up with Anglo-American imperialism reached an extreme point in the summer of 1950, with the Indian Government's support of the American illegal resolution at the United Nations justifying the American armed aggression against Korea. But from this point the intensity of popular feeling in India against association with Western imperialist invasion and devastation of Asiatic countries, and the new balance of forces in Asia, following the victory and strength of the Chinese People's Republic, gave rise to new contradictions and fluctuations in Indian foreign policy, which will require subsequent examination.

The London Conference of 1949 was accompanied by military conversations of an Indian Military Mission in London and in Washington. It was further announced that at the London Conference arrangements had been made for Britain, India and Pakistan jointly to supply the puppet Government in Burma with finance and arms in order to suppress the popular revolt in Burma.

The docile response of the puppet Government of Burma was expressed by its Finance Minister, U Tin, in September, 1949:

> "U Tin reaffirmed the country's policy of welcoming foreign investors, and said: 'Except in the restricted range of industries which the country has already designated for the purpose, there can be no nationalisation for a number of years to come.'"
>
> (*Times*, September 14, 1949.)

Similarly Premier Nu defined Burma's international alignment in the terms: "The British are closest to us," and added:

> "The Burmese Government undertakes not to nationalise foreign undertakings within a period to be determined by discussion in each case, and is prepared to discuss alternative methods of granting security during this period....
>
> "The Government will welcome proposals for the association of foreign enterprises in partnership with the Government or with indigenous capital."
>
> (*Times*, September 29, 1949.)

Thus the new dispensation of formal "independence" of India, Pakistan, Ceylon and Burma represented in practice, not yet liberation, for the masses of the people from the yoke of imperialist bondage, but a last compromise attempt of imperialism to maintain its hold upon these countries through an alliance with upper class reactionary elements against the popular liberation movement.

The measure of temporary success achieved upon this basis stimulated the further plans of the British and American imperialists to endeavour to utilise a satellite India, Pakistan and Ceylon as a main bastion and base for counter-revolution in Asia and for the offensive against the popular liberation movement in other Asiatic countries.

Nor was this conception without response in leading circles of the Indian big capitalists, who saw with panic alarm the advance of popular revolution in Asia, and were also actuated by their own economic interests and drive to expansion to nurture hopes of an Indian hegemony in Southern Asia. The new open counter-revolutionary alignment, extending beyond India to other countries of Asia—in startling reversal of every previous tradition of the Indian national movement—found powerful expression in the broadcast of the late Deputy Premier, Sardar Patel, on the first anniversary of "Independence Day" on August 15, 1948:

> "China, which at one time was expected to be the leading nation of Asia, had serious domestic troubles....Again the conditions in Malaya, Indo-China and Burma were disturbing. ....If the undesirable elements in the country were not put down with a firm hand immediately, they were sure to create the same chaos as they found existing in some other Asiatic countries."

"Undesirable elements." "A firm hand." The wheel had here indeed come full circle. The right-wing leadership of Indian bourgeois nationalism had blossomed into Indian neo-imperialism acting as the junior partner of Anglo-American imperialism.

Nevertheless, the basis for such a development, as events were soon to show, was extremely unstable.

4. *Anglo-American Imperialism in India*

The extent of the hold of British imperialism—and to a lesser, but increasing extent, of United States imperialism—on India is still very great.

Behind the constitutional facade, British finance-capital remains predominant in Indian economy. British capitalists still hold the main ownership or control of Indian coalmines, tea and rubber plantations, oil deposits and refineries, and of many engineering

concerns. British capital plays the decisive role in the control of Indian foreign trade and banking. British managing agencies draw into their sphere a large proportion of nominally Indian-owned enterprises. Through the system of joint combines and corporations, formally Indian, but with decisive control in the hands of foreign capital, the British and American monopolies subordinate the Indian monopolies as junior partners.

The Federal Reserve Bank of India has estimated the total of private foreign investments in India on June 30, 1948, at Rs. 5,960 million or £441 million, of which long-term private capital represented Rs. 5,190 million (market value—par value, Rs. 3,204 million) or £384 million (*Census of India's Foreign Liabilities and Assets*, 1950). This total is in fact an understatement, since it covers only recorded long-term business investment, and leaves out of account, not only private investment in Government and municipal debt, but all foreign banking capital, which is very powerful in India, financing most of the country's foreign trade.

According to a statement of the Indian Finance Minister, C. D. Deshmukh, in the Indian Parliament on June 16, 1952, the total repatriation of foreign capital in India between July, 1947, and December, 1951, amounted to Rs. 526 million, as against new investment of foreign capital amounting to Rs. 110 million. This would represent a net decrease of Rs. 426 million. In the same statement the Minister quoted the Federal Reserve Bank figure for June, 1948, of Rs. 6,131 million for the total of the book value of all long-term foreign capital in India, both in government securities (2,926 million, of which 2,505 million were held by the United Kingdom) and business investment (3,204 million book value, of which the United Kingdom held 2,301 million, with a market value of 3,756 million). Thus the total net repatriation of foreign capital during the four and a half years following the Mountbatten settlement would represent, on the basis even of these figures which underestimate the real new investment, only one-fifteenth of the original holdings. Britain continued to hold 85 per cent. of the foreign holdings of Indian Government securities, or £188 million, and 70 per cent. of private foreign investment of long-term capital in India, with a market value of £282 million, or a combined total of £470 million, even on this conservative basis of estimation of British long-term capital invested in India. This represented one-quarter of the total of British overseas capital in 1948 (£1,960 million), and more than two-fifths of all British capital invested in the Empire (£1,111 million). Decidedly the importance of India to British capitalism had not diminished with the change of regime.

The total of all capital invested in Indian joint stock companies registered in India in 1947-8 was Rs. 5,695 million (*Statistical Abstract*, India, 1949), to which must be added Rs. 1,458 million for foreign investments in branches of companies incorporated abroad

but operating in India, thus giving a total of Rs. 7,153 million or £530 million (par value) for all company private capital investment in India. Thus foreign capital in India represented 44.7 per cent. of the total.

But the decisive controlling power of this 44 per cent. is even more striking. Of the total £384 million of private foreign (predominantly British) long-term capital business investment in India, no less than 84 per cent. represented investment with ownership and control of the enterprises concerned. The Federal Reserve Bank Report presented an analysis of the proportion of foreign and Indian capital in 1,062 companies with a paid-up capital of half a million rupees or over, of which ninety-three were foreign companies incorporated abroad, 306 foreign-controlled Indian companies, and 663 Indian-controlled companies. The resulting picture, as shown in the following table, is instructive.

Table 25

PROPORTION OF FOREIGN AND INDIAN CAPITAL IN INDIAN LARGER COMPANIES IN 1948

	Proportion of foreign capital to total capital (per cent.)
1. Petroleum	97
2. Rubber manufactures	93
3. Light railways	90
4. Matches	90
5. Jute	89
6. Tea	86
7. Mining other than coal	73
8. Coal	62
9. Rubber plantations	54
10. Financing	46
11. Electric	43
12. Coffee	37
13. Engineering	33
14. Food	32
15. Paper	28
16. Sugar	24
17. Cotton textiles	21
18. Cement	5

It will be seen that foreign capital holds the majority position (over 50 per cent.) in the first nine, a sufficiently strong position to exercise the dominant role through greater concentration (over 25 per cent.) in the next six, leaving only the traditional Indian

stronghold of cotton textiles, together with sugar and cement, for an effectively major role of Indian capital.

This analysis demonstrates that the widely circulated reports about a wholesale selling out of British assets in India to Indian ownership during and immediately after the war were greatly exaggerated from a limited number of instances of particular sales at inflated prices. In July, 1946, the British Chancellor of the Exchequer, Mr. Dalton, admitted in Parliament that the sale of British assets in India had been "on a relatively small scale." In the subsequent period an extension of British capital investment in India has taken place. The Indian Finance Minister, Dr. John Matthai, reported in the Indian Assembly that from July, 1948, to June, 1950, Rs. 63 million or £4.7 million of new British capital was invested in India (*Eastern Economist*, December 29, 1950).

What is the extent of tribute still drawn from India by foreign imperialist interests? The following estimate has been attempted by an Indian economist:

> "The Census of Foreign Liabilities and Assets indicates that the interest, dividends and profits accruing to foreigners are about Rs. 400 million per year. Various explanations on 'Balance of Payments' given by the Reserve Bank show that since 'the bulk of our imports would be normally carried by or insured with foreign companies,' our payments to them might well be on an average Rs. 500 to 600 million annually. Similarly with our exports, the figure runs into hundreds of millions.
>
> "According to a statement laid before Parliament last week by the Finance Minister, we have to pay pensions to 16,905 persons in the United Kingdom, and the total of such payments made during the years 1948-49 to 1950-51 comes to about Rs. 286.2 million, that is, more than Rs. 95 million per year.
>
> "Lastly, there are large payments on account of banking commissions to just a few foreign banks in India which continue to monopolise almost the entire foreign trade of the country. No authoritative facts are at the moment available on this, but in view of all earlier estimates and the present-day increase in the volume and value of trade, the figure may safely be placed anywhere between Rs. 250 and 300 million."
>
> (*Crossroads*, Bombay, September 14, 1951.)

This estimate, on the basis of the figures given alone (omitting the "hundreds of millions" on Indian exports), would make a total of Rs. 1,245 to 1,395 million, roughly equivalent to £90 to £105 million annual tribute from India to imperialism after "liberation."

United States capital has begun to take increasingly active steps for the penetration of India in the recent period, although

the amount of United States capital so far invested, while coming second to the British total, has been still relatively limited. The Federal Reserve Bank survey for 1948 already quoted found that out of the total of Rs. 5,190 million of private long-term foreign investments in India, Rs. 3,660 million, or 70 per cent., were British, and Rs. 300 million, or less than 6 per cent., United States capital. It should be borne in mind, however, that United States capital investment is often concealed behind nominal French, Belgian or also Indian ownership, so that the official return falls short of revealing the true position.

At the same time the United States has been very actively engaged in displacing Britain in the conquest of the Indian market, as the following figures indicate:

Table 26

INDAN IMPORTS

(*million rupees*)

	1948-9	1950-1
From the United Kingdom	1,530	1,227
From the United States	1,087	1,558
Total imports	5,429	5,655
U.K. per cent. of total	28.2	21.7
U.S. per cent. of total	20.0	27.6

Thus the United Kingdom, which still held first place in the Indian market in 1948-9 (and in 1949-50), lost it to the United States in 1950-1.

Further, United States finance-capital and government policy, while concentrating in the first place on the capture of the Indian market, and showing considerable caution initially in the export of capital, have been engaged during this period in extensive measures to prepare the ground for a future large-scale financial penetration of India. This has been demonstrated in the very active role of United States diplomacy and publicity in India, the visit of Dr. Jessup as Ambassador-at-large, the buying up of Indian newspapers, and dispatch of numerous technical missions. In expounding the Point Four Programme, it is noticeable that both Mr. Acheson and President Truman emphasised India as the first field they instanced for its operation.

A new stage in the penetration of Anglo-American finance-capital in India was reached at the end of 1951 with the agreements drawn up between the Indian Government and the leading American and British oil trusts for the establishment of giant oil refineries in India. The terms are instructive, and revealed a striking surrender to foreign economic domination and exploitation, at the

same moment as Iran was engaged in nationalising its oil industry in order to extricate itself from the stranglehold of Anglo-Iranian.

The agreement reached with the Standard Vacuum Oil Company of New York was signed in November, 1951, and provided that the company would float an Indian subsidiary with a rupee capital equivalent to $35 million (over £12 million) for the construction of an oil refinery with an annual capacity of 1 million tons. Twenty-five per cent. of the capital would be offered to Indian investors in the form of cumulative preference shares with no voting rights, while all ordinary shares would be held by the parent company in New York.

> "Participation in the ordinary capital, and therefore in profits distributed as ordinary dividends, is to be completely withheld from the nationals of this country."
>
> (*Hindustan Times*, December 4, 1951.)

> "Indians will have no voice in its control and management."
>
> (*Commerce*, December 8, 1951.)

The Government of India gave an undertaking not to nationalise the company for twenty-five years, and to provide full facilities for repatriation of annual profits; guaranteed tariff protection for ten years; and exempted the company from certain of the provisions of the Industries Development and Regulation Act.

The agreement signed with the British-owned Burma-Shell oil combine in December, 1951, covered similar terms for the flotation of a company with a capital of Rs. 220 million (over £16 million), of which Rs. 20 million, or one-eleventh, would be available to Indian investors as cumulative preference shares without voting rights, for the construction of an oil refinery with an annual capacity of 1½ million tons.

A third agreement with another American oil company under negotiation at the end of 1951 brought the total capital involved to over £40 million for the establishment of companies under complete control of the Anglo-American monopolies and for their profit.

A further step in this programme of large-scale penetration of American finance-capital into India was reached in the beginning of 1952 with the announcement of an agreement signed between the Indian and United States Governments for the establishment of an Indo-American Technical Co-operation Fund. Already in December, 1950, India had signed a Point Four Agreement with the United States on the same lines as those signed between the United States and the Philippines and Thailand. In 1951 India had received a $190 million food loan from the United States E.C.A. Agency. The new agreement signed in the beginning of 1952

provided for an immediate advance of $50 million up to June, 1952, for the formation of an Indo-American Technical Co-operation Fund, and further advances over a period of five years, totalling $250 million. The money was to be used, not for advancing the industrialisation of the country, but for projects "which are aimed primarily at raising the efficiency of agriculture" (*Hindustan Times*, January 6, 1952). The Fund was to be administered jointly by an American Director of Technical Co-operation and an official of the Finance Ministry of the Indian Government. The Director, it was stipulated, would be an American official appointed by the United States Government, and working under the general supervision of the American Ambassador in India. This American Director and his staff, it was further stipulated, would enjoy "all the privileges and immunities, including immunity from suit in the courts of India, which are enjoyed by the Government of the U.S.A." in India.

This extending economic and financial penetration of British and American finance-capital into India and Pakistan under the regime of formal "independence" was accompanied by active measures for corresponding political and strategic penetration. Partition had entailed consequences, not only of economic and administrative disorganisation for India and Pakistan, but also of extreme exacerbation of communal divisions and conflict, with resulting bloodstained episodes in the first phase of the new regime, mass expulsions and flights and a refugee problem, and a situation of chronic tension between the Governments of India and Pakistan. Such a situation provided a happy hunting ground for imperialist intervention. The prolonged dispute of the Governments of India and Pakistan over the future of Kashmir, involving even military operations for a period (alongside the parallel British military command of the armed forces of both states during this earlier period), provided fertile opportunities for both British and United States imperialists to take a hand in the dispute, the latter especially utilising the machinery of the United Nations for the dispatch of a series of conciliators, negotiators, boundary commissions and military experts. The special interest in Kashmir reflected, not only its intrinsic importance and considerable economic potentialities, but also its special strategic significance on the borders of the Soviet Union.

The chronic military tension between the two states, as well as the requirements of internal repression, led to the maintenance of armed forces and military expenditure on a scale which placed a crippling burden on both states, representing half the budget, in addition to heavy police expenditure. This burden, added to the effects of the reactionary social and economic structure, effectively paralysed any attempt to fulfil the paper plans for constructive economic development.

Hence the economic situation of India and Pakistan revealed a serious and continuous deterioration under the new regime. The economy remained colonial in character, with marked failure to develop heavy industry (even by 1951 the steel output for the whole of India was only just over 1 million tons), and concentration on overcrowded agriculture and light-processing industries. It is significant that the Government's draft "Five Year Development Plan," adopted in 1951, allocated only 6.7 per cent. of its funds for the development of industry. Under the burden of the landlord (or heavy compensation of landlords, where so-called landlord abolition legislation was passed) and the moneylender, the agrarian crisis continued to deepen, with further impoverishment of the mass of the peasantry, critical food shortage, reduction of rations to starvation levels and even famine conditions in certain areas. The index of wholesale prices (1937 as 100) rose from 303.3 at the time of the change of regime in 1947 to 456.8 in May, 1951. The burden of rising prices brought down the level of real wages and inflicted heavy hardships on the lower middle-class strata. On the basis of an exhaustive study of wages and prices in different parts of India, Professor Radhakamal Mukerjee, in his *The Indian Working Class* (Third Edition, Bombay, 1951), reached the conclusion:

> "A larger proportion of the Indian working class is now in the poverty line than before the war. The bulk of the workers in India are below the poverty line."

At the same time the profits of the big monopolists soared, and black marketeering and corruption were rampant and dominated the ruling Congress machine in India or Moslem League machine in Pakistan.

Under these conditions mass discontent rose, and the beginnings of disillusionment with the settlement of 1947.

5. *New Currents in India*

It would be a mistake to regard the Mountbatten settlement for India and Pakistan as final or stable. The alliance which it established between imperialism and the reactionary upper-class interests in these countries represented a last makeshift attempt of imperialism to maintain its strategic hold and economic exploitation of this region as a semi-colonial area, and of the parties to the agreement to protect their common interests and privileges against the rising tide of popular revolt. But the contradictions and strains, both internal and external, which are undermining this settlement, have been increasingly manifest.

India, Pakistan and Ceylon could not be cut off by an artificial barrier from the powerful advancing currents of national liberation and popular revolt which were sweeping over eastern Asia, South-east Asia and the Middle East. The victory of the Chinese Revolution against the armed intervention of Western imperialism profoundly changed the balance of forces in Asia, and brought into existence new conditions which the Indian Government had to take into account. Mass discontent against the social and economic hardships and deterioration accompanying the new regime, growing disillusionment with the mockery of "independence," and universal anti-imperialist anger against the wars and agggression of Western imperialism in Asia combined to create new internal conditions.

It was in India that the new political currents and orientation made themselves most manifest.

The proclamation of the Chinese People's Republic, following the final expulsion of the American-armed and subsidised counter-revolutionary forces from the mainland, took place in 1949—two years after the Mountbatten settlement. China was already the largest nation in Asia and in the world. The new People's China now stood out as the leading representative of victorious liberation among the colonial or dependent countries of Asia, as a people rapidly advancing from the previous bonds of feudalism and imperialist exploitation along the path of social and economic progress, and as a foremost world power with whose unbreakable strength and unity the imperialist world had to reckon.

The Indian Congress Government had to take into account this new situation in Asia. Whereas previously its policy had been solely oriented to the imperialist camp, the Indian Government now sought also to promote close relations with the Chinese People's Republic, with early recognition and an exchange of ambassadors, and its diplomacy began to show signs of manoeuvring to a certain limited degree between the demands of the imperialist camp and the interests of its relations with People's China. These new tendencies were powerfully reinforced by the pressure of popular feeling within India, which was universally inspired by ardent enthusiasm for the victory of the Chinese People's Revolution and hatred for the bloodthirsty and marauding role of Western imperialism in Asia.

The American invasion of Korea brought the new situation to a head. The Indian official delegate's vote at Lake Success had been originally cast for the ill-omened and illegal "United Nations" resolution which authorised the invasion of Korea by the American War Bloc, without waiting to hear the evidence and with refusal to hear the representatives of the Korean People's Republic. The Indian Government had given its feeble and half-hearted assistance to this Western imperialist invasion of an Asian country by dispatching an ambulance corps to assist the invaders.

But this complicity in a crime evoked intense indignation among all circles of Indian opinion, which was aroused to enthusiasm by the heroic struggle of the Korean people against the barbarous onslaught of the massed armies, navies and air force of Western imperialism.

Already on July 13, 1950, within a fortnight of the American offensive on Korea, Premier Nehru addressed a message to Premier Stalin to explain the Indian Government's desire for a peaceful settlement of the Korean conflict:

> "The aim of India is to localise the conflict and assist the speedy peaceful settlement through the elimination of the present impasse in the Security Council so that the representative of the People's Government of China could take his place in the Council, the U.S.S.R. could return to it, and, within the framework of the Council or outside the Council through unofficial contact, the U.S.S.R., the United States of America and China, with the assistance and with the co-operation of other peaceful states could find a basis for the cessation of the conflict and for a final solution of the Korean problem."

Premier Stalin replied:

> "I welcome your peaceable initiative. I fully share your point of view as regards the expediency of the peaceful regulation of the Korean question through the Security Council with the obligatory participation of the representatives of the five great powers, including the People's Government of China."

When the Chinese Government gave warning that China could not stand idly by in the event of the Western invading forces advancing beyond the Thirty-eight Parallel to subjugate all Korea, the Indian Government correctly understood the seriousness of this warning—which was sneered at by the MacArthurs and dismissed as a fantasy by the American authorities—and abstained in the vote on the critical United Nations resolution of October, 1950, which was pushed through by the United States in order to cover the further aggression.

From this point the system of Indian abstentions—and in some cases, even of opposition votes—in the United Nations in relation to critical resolutions pushed through by the United States in pursuit of its war policy became frequent and marked. There developed what became known as the "Arab-Asian bloc" with so-called "neutralist" tendencies.

This partial shift in foreign policy did not mean that the Indian Government broke with its main ties with the camp of imperialism, or passed over to a consistent policy of opposition to the war plans and aggression of imperialism. Practical co-operation

continued, as in the supply of arms and finance, jointly with the British, to the Nu Government for war on the Burmese people; the transport facilities to the French Government for war on Vietnam; and the provision of facilities on Indian soil for recruitment of Gurkhas for war on the Malayan people; though the exposure by the Communist Party compelled the Indian Government in 1952 to take up this question with the British Government. Practical economic and financial co-operation with imperialism was drawn even closer, as in the agreements reached in 1951 for the establishment of Anglo-American monopoly combines in India with virtual extra-territorial rights, and the constitution of the Indo-American Technical Aid Fund in 1952. In this situation the series of abstentions or occasional opposition votes in the United Nations took on the character of platonic gestures, largely designed to appease opinion at home, rather than the advance to any positive alternative policy. As the Indian Ambassador to the United States, Mrs. Pandit, declared in New York on September 19, 1951:

> "We deplore the word 'neutralism' as applied to us in our situation. In recent sessions of the United Nations General Assembly, we have voted as you did thirty-eight times out of fifty-one, abstaining eleven times, and differed from you only twice."

Nevertheless, the signs of change were unmistakable. If the official foreign policy only very slightly and inadequately reflected the real anti-imperialist feeling of the people, even the gestures of abstention created a certain embarrassment for the imperialist war plans by revealing that the majority of the world's population opposed the United States and its Atlantic War Bloc. The indications were sufficient to show to the imperialists that India could no longer be counted on as a stable and obedient satellite for the purposes of their war strategy, and that new political developments might rapidly lead to a decisive change of alignment from association with the camp of imperialism.

The advance of new political currents within India was even more marked and significant. The Congress, which in the past had been the traditional forum and mass organisation of the national movement, even though dominated by vacillating upper-class interests, became, following the alliance with imperialism in 1947, the Government party of the great vested interests, monopolists, big landlords, profiteers and speculators. Congress was still able to retain a measure of mass support, though on a diminishing scale, by invoking the memory of its past record and repute, and by capitalising the glamour of such leaders as Nehru, with his record of previous anti-imperialist struggle and imprisonment. But discontent turned increasingly against the Congress, as the rising record of repression revealed. Extreme reaction sought to take advantage

of this situation in order to build up communal organisations with a mass following; but despite lavish expenditure and powerful backing, the results were limited. The rising wave of mass awakening moved to the left. This was shown in the high level and militancy of working-class and peasant struggles during this period, despite intense repression (notably the peasant revolt in Telengana in Southern India, with the seizure and redistribution of the landlords' land over an area of more than 2,000 villages, election of People's Administrative Committees, and armed defence against the invading armies, first of the Nizam, and then of the Indian Union). The left feeling was further shown in the growth of the peace movement. The publication in 1951 of the new Programme of the Communist Party of India constituted an important political landmark for the whole left advance, showing the path forward for the development of working-class and peasant unity and a broad people's democratic front to realise the aims of national independence and separation from the British Empire, the abolition of landlordism, democratic reform and social and economic advance, and the establishment of people's democracy in India.

The General Election in India at the end of 1951 and beginning of 1952, although conducted under conditions of severe repression, revealed, on the basis of universal suffrage, the shift in political alignment which was developing. The results showed that the Congress, in place of its previous 80 to 90 per cent. majority of the vote in the 1946 election, had fallen to a minority of the total vote, or 42 per cent., although still able to enjoy a majority of the seats on a minority vote thanks to the adoption of the notorious undemocratic "British" electoral system. The Communist Party and its allies of the united democratic front won 6 million votes, and, with 37 seats in the Central Parliament and 236 seats in the State Assemblies, emerged as the principal opposition group and challenging alternative to the Congress. A defeat of the Congress would have been possible but for the disruptive role of the leadership of the "Socialist Party", which refused unity with the left and thereby (through scattering nearly 10 million votes to win twelve seats) saved the Congress. Especially significant were the successes won by the Communists and their allies in Madrass, Hyderabad, Cochin-Travancore, Bengal and Tripura. In Andhra, which had been the decisive base of peasant struggle in the preceding period, and which the Congress leadership had declared in the election to be a crucial test of the measure of popular support, the Communists won in the sixty-three seats contested 1,452,516 votes against 998,530 for the Congress.

These results indicated that the broad democratic people's front, built up through the initiative and leadership of the Communist Party, had already won wide mass support in a number of regions and was capable of developing on an all-India scale as the decisive

challenging force to the domination of the Congress Government and the leader of the Indian people's struggle for liberation.

The experience of the five years since 1947 have thus abundantly demonstrated the developing bankruptcy of the Mountbatten settlement and of the new unstable regimes established by imperialism in India, Pakistan and Ceylon. Imperialism is still able to continue a weakening grip on these countries and to carry forward the economic exploitation of their peoples. But the national liberation movement is advancing anew, and in new forms, under the leadership of the working class and its Communist Party, to the final victory of national independence, and towards the goals of social and economic liberation, in common with all the peoples of Asia.

CHAPTER IX

NEW DREAMS OF EMPIRE: AFRICA

BOMBASTES: So have I heard on Afric's burning shore
A hungry lion give a grievous roar;
The grievous roar echoed along the shore.
KING: So have I heard on Afric's burning shore
Another lion give a grievous roar;
And the first lion thought the last a bore.

Bombastes Furioso.

THE ageing lion of British imperialism, with its ancient prey in Asia escaping from its jaws, and its hold on the Middle East growing daily more precarious, turns increasingly to Africa for its final hopes of rejuvenation to build there its new main base of empire exploitation and power. But even there it finds "another lion" in the field —or rather, an eagle with powerful talons. And even there the storm of popular unrest and rising revolt spreads with lightning speed.

1. *Drive to Empire Expansion*

It is an illusion to imagine that, because British imperialism is weakening and in obvious decline, therefore its aggressive character and drive to expansion has come to an end. On the contrary, the very desperation of its crisis drives it to sharpen its aggressive role in the endeavour to suppress colonial revolt and intensify colonial exploitation.

At the end of the first world war British imperialism, though weakened, extended its colonial empire ("As God is my witness, we do not covet a single square yard of additional territory," Premier Lloyd George assured the Trades Union Congress during the war, after signing the secret treaties for such extension) by 1,600,000 square miles, or eighteen times the area of Great Britain.

After the second world war the same attempt to extend the area of colonial territory was seen in the tenacious grip maintained on the former Italian colonies in northern and north-east Africa, the proclamation and recognition of the puppet Emir Idris as Emir

of Cyrenaica under British control and occupation in 1949, and finally, in face of the United Nations pressure for Libyan independence, the establishment of a formally "independent" Libya under King Idris in 1952, with British military bases and technical advisers, and incorporated in the sterling bloc.

Even more important, however, than the attempts to extend directly the area of colonial territory—which are necessarily limited, in an already divided world with a restricted and even diminishing total colonial area, to claims on former colonies of defeated Powers —are the new plans and projects to intensify the degree of exploitation in the existing colonial territories still directly ruled by Britain, and thus to find a solution for Britain's economic problems.

An examination of the entire policy of British imperialism since 1945, whether under a Labour or a Tory Government, would show that the main strategy of its programme to overcome Britain's economic deficit has been concentrated on the drive to increase greatly the output and returns from colonial raw materials such as rubber, tin, oil, copper, cocoa, etc., in order to multiply Britain's "invisible" earnings and thereby balance the home dollar deficit by a dollar surplus from the rest of the sterling area. This has been demonstrated, not only in the figures of the balance of payments during these years, but in the doubling of the sterling balances of the dependent colonial empire between 1945 and 1951.

Imperialism seeks to solve its economic difficulties by intensified colonial exploitation. During the period since the second world war this has been shown especially in three main directions. The first has been Malaya. The second has been Middle Eastern oil. The third has been the African colonial territories. Malaya has been made to yield rich returns; but the war of independence threatens the whole future position. The profits from Middle Eastern oil have received a blow from the Iranian nationalisation of the oil industry. Hence the concentration is all the greater on Africa.

During the recent period the giant imperialist monopolies, which have found their hold weakening in Asia, have turned increasingly to Africa to find sources of replacement of raw materials for those lost or threatened in Asia. For example, Anglo-Iranian and Royal-Dutch Shell have been prospecting for new oil fields in Africa. Malayan rubber firms have been developing rubber in Nigeria. The Banque de l'Indo-Chine has been reported to be concerned to limit its commitments in French Indo-China, and to be exploring the possibilities of investment in a Central African Federation as an alternative field.

Thus Africa is becoming more and more manifestly looked to by all the imperialist planners and adventurers as the "last hope" for profitable colonial exploitation. But recent events are no less manifestly demonstrating that the continent of the "last hope" will

before long prove the continent of the "lost hope" for the dreams of imperialism.

2. *African Eldorado*

The Report of the Marshall Plan Committee on "European Economic Co-operation," published in 1947, demonstrated that one of the main factors in the economic difficulties of the Western European imperialist countries lay in the decline of their overseas income from their colonial empires. It was shown in this Report (see the table reprinted from it on p. 110) that in 1938 one-quarter of the imports of the Western European Marshall countries were not paid for by exports of goods. In this pre-war structure the real dollar deficit of the Western European countries was covered by the export of colonial raw materials to the United States. The diminution of this source of overseas income undermined the basis of the economic structure of the Western European countries, and found reflection in the chronic deficit on the balance of payments and dollar deficit. The leak could be temporarily plugged by the stop-gap remedy of dollar subsidies. But it was obvious that this represented no long-term solution.

This situation could give rise to two alternative lines of conclusion and policy. One line would be to endeavour to rebuild the economies of the Western European countries on a healthy non-imperialist basis, independent alike of dollar subsidies and of parasitic colonial income. Such non-imperialist reconstruction was in fact successfully carried out by the People's Democracies of Eastern Europe. But such an approach was unthinkable to the imperialist rulers of Western Europe. For them the only possible immediate policy, on the basis of their assumptions, was to depend on dollar subsidies for the short-term solution, and thus to fall into increasing economic subjection to the United States monopolists, and meanwhile to endeavour to reach a long-term solution on the basis of intensified exploitation of the workers at home and above all on the basis of intensified colonial exploitation.

Hence the dreams of the imperialist rulers of Western Europe turned avidly to the hopes of raising the level of tributary income, in place of dollar subsidies, by intensified exploitation of the colonial countries. The obvious obstacle, however, to this "solution" lay in the increasingly precarious hold of the old colonial system in its traditional main centres in Asia and the Middle East. Accordingly the more ambitious long-term aims of the imperialist rulers of Western Europe turned increasingly to plans for the "opening up" and "development" of Africa as the grand solution to the problems of Western Europe.

The programme of "Western European Union," "United Europe,"

etc.—that is, of the attempted bloc of Western European imperialism under American control—is integrally bound up with the programme of intensified colonial exploitation. The idealistic vision of "Western European Union," its promoters explain, must rest on a solid foundation of the intensified exploitation of Africa and other colonial territories. According to these curious geographers, Africa should be regarded as a "southern extension" of Western Europe, and such obviously Western European territories as Africa, Turkey, the Middle East, India and South-east Asia should be regarded as natural and indispensable bastions of "Western Christian civilisation."

The dream of solving the problems of Western European imperialism on the basis of grandiose schemes for the intensified exploitation of Africa is common to all the present-day spokesmen, economists and politicians of Western imperialism, and has united Conservatism and the dominant leadership of the Labour Party in a single chorus with the remnants of Mosley-Fascism.

Sir Oswald Mosley, speaking in London on November 15, 1947, declared:

> "If we link the Union of Europe with the development of Africa in a new system of two continents, we will build a civilisation which surpasses and a force which equals any power in the world."

The extreme Right Wing Conservative organ, *Review of World Affairs*, brought out a special Africa number in December 1947, holding out a megalomaniac vision of ultra-imperialism:

> "A British Empire solution all by itself is no longer enough. The only solution which is now large enough and practical is one in which America, Britain, the British Commonwealth, the Scandinavian countries, Switzerland, Holland, Belgium, France, Italy, Portugal and Spain together embark upon three projects: viz., development of the African continent, the restoration of China and Western Germany.
>
> "It is practical to start upon the development of Africa at once. . . . The whole Anglo-Saxon bloc must go into development: something which is going to develop entirely new sources of wealth, provide new markets and smash right through the whole idea of restriction and restraint. The solution is an African Development Company, with a minimum capital of £5,000 million.
>
> "Beyond all the commercial and strategic attractions are political ones too. If Africa is not developed by the civilised Powers grouped in this way, it will fall victim to many political dangers. What a chance for Christian leadership!"

These visions are not confined to the fascists and ultra-Tories. They have been no less ardently expressed by Labour Government

Ministers and the Right-wing Labour leadership. The Labour Party Executive published in March, 1948, *The Labour Party's Plan for Western Europe*, in which it laid down:

> "It is fully recognised that Western Europe cannot live by itself as an independent economic unit. . . .A real reduction in our dependence on American supplies depends above all on developing the vast resources of the African continent. But such development depends on close collaboration among the Powers with responsibility in Africa."

On behalf of the Labour Government, Mr. Bevin declared in the House of Commons on January 22, 1948:

> "The organisation of Western Europe must be economically supported. That involves the closest possible collaboration with the Commonwealth, and with overseas territories, not only British but French, Belgian, Dutch and Portuguese. These overseas territories are large primary producers. . . .They have raw materials, food and resources which can be turned to very great common advantage. . . .
>
> "If Western Europe is to achieve its balance of payments and get a world equilibrium, it is essential that these resources should be developed."

Similarly Sir Stafford Cripps affirmed to the Conference of British African Colonial Governors in November, 1947:

> "Further development of African resources is of the same crucial importance to the rehabilitation and strengthening of Western Europe as the restoration of European productive power is to the future prosperity and progress of Africa."

And the President of the Board of Trade, Mr. Harold Wilson, declared in the House of Commons on July 6, 1948:

> "I agree with the view expressed by a number of honorable Members on many occasions, that the development of so far undeveloped territories in Africa and elsewhere can do more than any other single thing to redress the world balance of payments. . . . .Pressed on—as we are pressing on, with the colonial development, and as we hope to press it on more and more as resources become available—this programme can, in a measurable period of time—say, a decade or so—completely alter the balance of world payments."

No less definite was the declaration of the Minister of State, Mr. Hector McNeil, on October 20, 1948:

> "I am convinced that it is only by investment in such areas as Africa that the terms of trade which have been running

against us can be redressed to afford Europe and particularly Great Britain a real opportunity of development."

British imperialism is not alone in entertaining these ambitious projects for solving its economic problems on the backs of enslaved Africans. The other European colonial powers have prepared similar plans. At the same time the United States monopolists are more and more actively pressing forward their claims and interests in Africa.

United States imperialism has its own designs for the penetration of Africa and for utilising and dominating European colonial administration of and expansion in Africa. American representatives take a leading part in advocating the programme for African development with American financial backing as an integral part of the design of the Western Bloc. This conception has already found preliminary expression in President Truman's Fourth Point, and in the despatch of American Technical Missions to British colonial territories in Africa to explore the ground and examine the possibilities for future investment, as well as in the actual beginnings of financial penetration, e.g. in relation to Rhodesian copper.

Foster Dulles, the Republican adviser on foreign policy, who was the first prominent American spokesman to advocate the project of the Western European Bloc as a cardinal aim of American policy in Europe, from the outset linked this project with the conception of American exploitation as its indispensable base:

> "Mr. Dulles has for some time been advocating United States financial and technical aid in developing the African continent. ....Africa, he has said, could make Western Europe completely independent of Eastern European resources, and that should be the aim."
>
> (*Sunday Times*, July 4, 1948.)

The strategic scheme for partitioning Europe and then carrying the mutilated western half on the backs of the Africans is here open.

The limitless extravagance of the dreams conjured up for the recovery of imperialism by these means was illustrated in the recent report of an American observer returned after a year in Britain:

> "Britain is preparing to stage a mighty come-back through the development of a great new empire in Africa, says Professor Lowell Ragatz, of George Washington University, who recently spent a year in Britain. British leaders, he said, predicted that within a few years Africa will be industrialised almost to the same extent as the U.S., and her wealth will enable Britain to regain her position as one of the leading economic and political

> forces of the world....Leaders in Britain, realising that the present volume of exports, on which her current prosperity depends, could not continue for more than a few years, were skimping on other things to pour manpower and capital into developing Africa.
>
> "Britain has built and lost two great empires—in America and in India; but the prospects are that her third—in Africa—will be her greatest."
>
> (*News Chronicle*, August 25, 1948.)

Such are the grandiose—and greedy—dreams entertained by the sales-promoters of imperialism in present-day Britain. But the outcome is likely to be very different from these dreams.

3. *Mirage in the Bush*

These pipe-dreams of a declining imperialist power are remote from reality. Already the fiasco of the notorious groundnuts project, with its dissipation of £36,500,000, brought the first shock of disillusion; and this represented only the opening stage of the demonstration in hard practice of the decisive factors governing the problem.

The first key factor is the deepening physical and economic deterioration of natural and human resources in Africa arising from the operation of the colonial system. The colonial system in Africa has seized vast areas of land for European possession and plantation economy, or alternatively forced the people to dependence on monocultural primary production, producing a single crop for export, with no development of their countries for supplying their own needs, and leaving the people to exist on the scantly product of the remaining land and manpower at the most primitive technical level of production. This has produced the progressive impoverishment, starvation conditions and physical deterioration of the African peoples.

The outcome of decades of previous imperialist exploitation has resulted in exhaustion of the soil and extreme impoverishment of the people. Repeated medical reports, such as the survey recently made for the Colonial Office by Dr. C. Northcott on the efficiency of African labourers on the Kenya and Uganda railway, refer to "malignant malnutrition," due to starvation in childhood, which is "probably incurable." There is evidence of progressive deterioration, declining standards and declining population:

> "Professor Carr-Saunders considers there is some evidence that Africans have declined in numbers during the eighteenth and nineteenth centuries....For the majority it is at present

impossible to say whether they are reproducing themselves or not."

(LORD HAILEY, *African Survey*, 1938, p. 125.)

In Sierra Leone:

"In the seventeenth century the people were of fine physique, and lived on a mixed diet and apparently had sufficient animal food. In the early and middle eighteenth century it would seem that they still had a satisfactory diet.

"The present dietary of the people is surveyed, and the evidence shows that it is ill-balanced with an undue proportion of carbohydrate, resulting in malnutrition and disease."

(*Review of Present Knowledge of Human Nutrition*, Report of Senior Medical Officer, Sierra Leone, Sessional Paper No. 5, Freetown, 1938.)

In Basutoland:

"According to residents of long standing, the physique and health of the Basuto to-day is not what it used to be. Malnutrition is seen in every village....The progressive deterioration in native physique is becoming a subject of constant comment."

(*Summary of Information regarding Nutrition in the Colonial Empire*, Cmd. 6051.)

Governor Lamb, of Tanganyika, defending the practice of flogging as "a suitable method of punishment" before the United Nations Trusteeship Council in 1948, declared that "imprisonment was not understood, since *in prison the Africans would be better off than at home*." Repeated surveys into "African Labour Efficiency" refer to the insuperable obstacles of malnutrition, low physique and lack of resistance to disease. At the same time provision for health or education is infinitesimal. While scores of millions of pounds are drawn off annually as tribute by the great monopoly combines, the sums spent on health or education amount to little more than a few pence per head—even in such an important colony as Nigeria 1s. per head for education (with the overwhelming majority of children receiving no education at all), and 1s. per head for health (with one doctor for 133,000 persons as against one for 1,200 in the United Kingdom).

Pests and diseases, despite all the much advertised efforts of well-meaning, but powerless, agricultural specialists, are taking an ever increasing toll of cattle and plantations in the colonies. Rinderpest, contagious abortion, trypanosomiasis cannot be fought by bacteriologists alone when the exhausted and eroded soil no longer offers the pastures required to keep the cattle in a good

state of nourishment. The cocoa of West Africa is being relentlessly destroyed by swollen shoot, for which the cutting-out programme has not proved to be an effective remedy (trees are dying at the rate of 15 million a year). The clove plantations of Zanzibar are similarly threatened by the "Sudden Death" disease. No sooner is research hastily and inadequately organised in one sphere, than more of it is required in another. The truth is that the ruthless commercial exploitation of the high forests of West Africa, for example, has deprived the soil of its indispensable cover, replaced by tsetse-harbouring bush, so that the reclamation of West African agriculture is out of the question without a re-afforestation programme of gigantic dimensions. These things are beyond the power of imperialism, and can only be achieved when the energy of the people is released through their liberation from its deadening grip.

So far from being in a position to provide surplus food for export to Europe, the African peoples would in reality need food imports at present until such time as they can under free conditions build up balanced economies in their own countries.

The gravity of the food situation in Africa was admitted by the Governor of Kenya in 1946, and further emphasised in an article in *The Times* in 1948, quoting his statement:

> "Two years ago, the Governor of Kenya said that 'it is now evident that, taken as a whole, East Africa is barely able to support itself with food at the present time.' The vast extent of territory seems to have led to a belief that food production could be almost unlimited. The opposite is true, and responsible doctors use the words 'killing famines' when they speak of the future."
>
> ("Medical Work in East Africa," *Times*, December 1, 1948.)

Similar testimony was given by the Assistant Under-Secretary of the Colonial Office in a lecture in January, 1952, when he warned against the illusions of looking to the colonial empire for a vast expansion of supplies of foodstuffs:

> "There was some truth in the belief that the time might come when Africa could no longer feed herself. . . . Some people said that the population was increasing, that the soil was being wasted—leached, eroded, or exhausted by over-cultivation—and that most of the areas under bush were not fit for anything else, so that the time would come when Africa could no longer feed itself. Much of what they said was true."
>
> (C. G. EASTWOOD, Assistant Under-Secretary of the Colonial Office, *Times*, January 11, 1952.)

It should be noted, as Mr. Eastwood admitted, that the problem is

not one of any absolute over-population or impossibility to produce adequate food for the people's needs:

> "If steps were taken to prevent erosion, improve soil fertility, and develop better farming techniques, he believed there would be great possibilities of increasing African food production."
>
> (*Ibid.*)

But it did not lie within the province of this colonial official to discuss the social and political conditions necessary for such development. For it is precisely the colonial system which is the main obstacle to such development, and which directly causes the conditions of impoverishment, by continuously draining away the wealth produced by the African people without return, in place of allowing such wealth to be used for raising the technical level and living standards within the countries that produce it. Thereby it forces the people to the lowest subsistence levels and to ever more desperate exhaustion of their soil and resources with primitive technique in order to meet the rapacious demands of the monopoly combines.

The sponsors of the plans for large-scale African "development" as the solution of the problems of Western Europe might attempt to argue that the fulfilment of their plans for "developing" Africa with the aid of Western capital will be able to overcome these obstacles, and thus bring benefit equally to the Western European peoples and the African peoples. They might endeavour to point with pride to the lofty achievements of "Colonial Development and Welfare" or the "Colonial Development Corporation"—perhaps with a little less pride to the groundnuts scheme. Such is indeed the prospectus. The practice, however, falls considerably short of these conceptions. The real character of the loudly advertised achievements of "Colonial Development and Welfare" and the "Colonial Development Corporation" will be examined in detail in the next chapter. It will be found that they not only fail to touch the fringe of the problem, but in practice serve considerably different purposes. These methods are as capable of solving the gigantic problems of the African economic situation, whose deepening crisis lies rooted in the conditions of imperialism, as a fly is of giving birth to an elephant.

For it is here that arises the second decisive factor—and the second decisive contradiction in the path of these plans. This is the contradiction between these ambitious imaginations of loudly proclaimed "vast and costly development" schemes for intensified African exploitation and Britain's actual economic weakness.

The type of projects contemplated would require enormous capital expenditure, including that necessary for reclamation of the jungle and the bush, which under the most favourable conditions

could not bring in any rapid return. Even the limited and one-sided "development" plans proposed, to extract the maximum volume of raw materials and primary products with rapacious haste from the African continent, require for their effective fulfilment heavy capital expenditure, to clear and reclaim the ground, instal equipment and storage facilities, and extend communications, roads, railways, rolling stock and ports. All this means exporting and locking up a large volume of capital with no prospect of quick returns. This is the obvious reason why the big monopoly combines operating in Africa, which in practice devised the major schemes attempted, like the groundnuts scheme, and controlled their operations, preferred not to risk their own capital, but kindly invited the Stracheys and other Simple Simons to come in as suckers on the ground floor and provide state capital for the costly initial stages.

But the essential character of the problem of the British and West European imperialist countries to-day is that they find themselves short of resources even for necessary capital expenditure at home, which has had to be heavily cut down, and facing a deficit in the balance of payments which leaves them with no genuine surplus for capital investment overseas. Britain and the Western European countries, faced with a deficit on the balance of payments and seeking a quick solution of the deficit by intensified colonial exploitation, find themselves in no position to provide capital exports on the scale required for the success of the plans.

Thus the imperialist Governments of Britain and Western Europe are involved in a vicious circle. They desperately want more dollars to balance their deficit. To get the dollars, they demand more fats and oils, more coffee and tin, rubber, hemp and sisal from the colonies. But to get these, they need to export capital to provide more roads, rails and equipment. And for this they need more dollars. In other words, *their brilliant plan to solve their deficit assumes that they first must have a surplus.* Their only solution is to hope that America will provide the dollars for long-term colonial investment. But if American capital provides the dollars, American capital will draw the profits, and the problem remains.

Nor have the facile assumptions of large-scale United States capital investment in Africa to make good the shortage of capital proved so easy of fulfilment. For the very fact that the initial large-scale capital expenditure required to prepare the ground would be unlikely to bring any prospect of a profitable return in the immediate future makes it unattractive to the American investor. This was frankly stated in the United States Chamber of Commerce Report in 1949, dealing with "Investment Opportunities in British Africa":

"This study examines practical considerations with regard

to American investment in British Africa, i.e. would American capital be welcome, is there a need for it, what obligations would be incurred by investment, how would that investment be made? The following conclusions are arrived at: Africa offers definite possibilities for the American investor. This vast continent is still largely undeveloped, economically, socially and politically. *The most important developmental work that should be done now, however, does not offer many attractions for the American business-man.* For any sound economic development presupposes adequate transportation, communication and port facilities, as well as such public utilities as water and power supply. Advancements along these lines are projected, and, in some areas, have been begun, but the great amount of capital involved, as well as their public nature, are such, in the minds of the British and Colonial Governments, as to circumscribe the participation of foreign capital, regardless of nationality."

(Review in the *Colonial Review,* March, 1950.)

United States financial penetration in Africa has been increasingly active in the recent period; but so far it has concentrated mainly on extending its hold on profitable enterprises already established, i.e. on transferring the profits of existing exploitation from Britain to the United States, rather than engaging on long-term projects of doubtful return. An extension of these activities may certainly be anticipated; but this penetration by no means helps to solve the problems of the British capitalists.

The third, and in the final outcome, the most important decisive factor is the role of the African peoples themselves. The projects are based on the assumption of the passive servitude of the African peoples, who have no say in them. But the accompaniment of the intensified exploitation of the African peoples is their rising revolt. The very process of capitalist expansion in Africa creates at the same time the colonial proletariat, through the destruction of primitive economic relations and conditions of production, and the dispossession of the people; and thereby hastens the maturing of the conditions for the colonial revolution.

4. *Constitutions and Colonialism*

The illusion that the colonial revolt which has reached such heights in Asia would never reach Africa has long been shattered by the lightning development of popular unrest and active struggles since the second world war on a scale eclipsing any of the stirrings after the first world war.

In face of this challenge the imperialist rulers have found

themselves compelled in practice to concentrate primarily on the *political* task of maintaining the domination of the colonial system in Africa, and with scant time or resources to indulge in the vast and visionary economic projects beloved of the European publicists of imperialism.

The methods followed by the imperialist rulers to meet this rising challenge of popular revolt against "the White man's rule," i.e. against colonial dictatorship, have in general followed the traditional technique of combining violent police ordinances, imprisonment of leaders, prohibition of organisations or journals, firing on strikers or mass demonstrations, etc., with a show of constitutional reforms. But the specific methods followed have shown a wide range of variation in different regions.

In South Africa, where a permanently settled European minority of over 2 millions is imposed as a "ruling race" alone enjoying political rights over a subject population of 9 million non-Europeans, the attempt to maintain this racial domination has been carried to an extreme point by the Malan Government, which has adopted an openly fascist type of legislation for racial discrimination or *apartheid* to hold down the Africans and other non-Europeans in a permanently inferior position by law, and for the "suppression of Communism" to cover attacks on trade union and democratic rights and extend the offensive also to progressive democrats among the Europeans.

In the British protectorate of Bechuanaland the Malanite influence has been visible in the action of the authorities (both the Labour Government and the Conservative Government) in banishing the chief of the Bamangwato tribe, Seretse, for the crime of marrying an Englishwoman, nominally out of consideration for the feelings of the tribe and for fear of disturbances, although in fact the democratic tribal assembly or *kgotla* (more civilised and tolerant than their rulers, and rising superior to colour prejudice) had declared full acceptance of the marriage, and it was the British Government's action which provoked profound unrest and violent repressive action by the authorities.

In Central and Eastern African territories of the type of Southern Rhodesia and Kenya, where a British settler minority has appropriated the best lands and the natural resources and relegated the Africans to restricted "reserves" in order to exploit their labour on the plantation system, a modified type of Malanism is characteristic, with strict maintenance of the colour bar and exclusion of the African majority of the population from political rights.

On the other hand, in West Africa, where the conditions were unfavourable to European settlement, and where the resistance of the people hindered the development of a plantation economy the alternative method of economic exploitation was adopted through the stranglehold of the monopoly combines on the peasant producers,

with only a small transient European population of administrators and trading company representatives. Here a different political system of machinery for maintaining colonial rule had to be devised. This was found in the method which was designated "indirect rule." "Indirect rule" was originally based on establishing the hereditary feudal chiefs as local salaried officials to function as the subordinate machinery of the imperialist ruling power. However, as economic development increasingly undermined the position of the feudal chiefs and gave rise to a new class of African traders and developing national bourgeoisie, the methods of "indirect rule" in West Africa had to be adapted. This was the more imperative as the rapid advance and militant challenge of the national movement and working class movement was endangering imperialist rule. Hence the scramble to produce one new "constitution" after another in Nigeria and the Gold Coast, with novel experimental features in the extension of the franchise, African elected majorities in the assemblies and even African "Ministers" and "Prime Ministers."

Since these new constitutions in Nigeria and the Gold Coast have been widely presented as the counterpart of the examples of India, Pakistan and Ceylon in the transition from imperialism to self-government, it is necessary to examine the character of these constitutions a little more closely.

The traditional type of colonial "constitution" is familiar. In the whole range of the colonial empire it would be possible to examine the widest variety of constitutional forms, including, in the more advanced cases, elaborately devised electoral systems, "unofficial majorities" in the assemblies, and the inclusion of representatives, with the courtesy title of "Ministers," on the Governor's Executive Council. But in all cases final power rests in the hands of the Governor and the Colonial Office; the colonial dictatorship remains behind the show of concessions; and this is especially evidenced in the provisions for the control of the police and armed forces, the judiciary and upper bureaucracy, law and order, finance and the protection of commercial interests, and in the safeguards and reserved powers held in the hands of the British-appointed Governor.

These "constitutional reforms" in the colonial empire are thus basically different in character from the type of political strategy in relation to India, where the inability to maintain direct rule led to the new forms of alliance with reactionary upper class sections as junior partners. They do not represent the substitution of direct rule by this type of counter-revolutionary alliance, or of colonial subjection by semi-colonial dependence. In the majority of cases they represent a very cautious and gradual attempt to train a docile upper section of the colonial population along the lines of co-operation with imperialism; and the national movement has

usually resisted, often in very active and demonstrative forms, the imposition of these "constitutions." Even in the more advanced types, where there has been a wider extension of the franchise and of elected, as opposed to nominated, majorities in the assemblies, the essential basis of colonial dictatorship represented by the Governor's powers and the decisive control of the military forces and police, has never been surrendered. These more advanced types have usually arisen as a sequel to the violent suppression of an uprising. Thus the Gold Coast "Constitution" prepared in 1949-50 was the direct sequel of the Gold Coast "riots" of 1948, in which police baton charges and firing on the mass demonstrations of the people led to twenty-nine killed and 237 injured. Similarly in Nigeria the Richards "Constitution," prepared in 1946 and inaugurated in 1947, was the direct sequel of the powerful and successful general strike of 1945, and the Macpherson "Constitution," prepared in 1950 and inaugurated in 1951, was the sequel of the Enugu shooting and national upsurge of 1949. These successive "Constitutions" represent the attempt to forestall a victorious national revolt, and to draw in a new social stratum or compromising section of the national leadership into association with imperialism, without changing the seat of power. Where the electoral institutions established are on a wide basis, the popular movement has been able to make use of them to express the demand for national independence. But they are no substitute for national independence; and their strategic purpose is to defeat the fight for national independence.

Do the new "constitutions" in the Gold Coast and Nigeria differ basically from this essential pattern of colonial "constitutions"? An examination of their main provisions will show that they do not.

The previous "legal" basis of Britain's power in West Africa (covering the reality of conquest, annexation and violent repression of the resistance of the peoples) consisted of the various Treaties of Cession concluded with the feudal rulers (chiefs) of these parts at various dates since 1850. Since the end of the first world war the validity of these Treaties of Cession has been repeatedly challenged by the representatives of the popular movement. With the waning of the authority of the feudal classes, as a money economy and capitalist relations penetrated West Africa, the maintenance even of the legal fiction of these Treaties of Cession became more and more untenable. Hence, with the rapid advance of the national movement during and after the second world war, it became necessary for British imperialism to devise new legal instruments by which to ensure the continuation and, if possible, strengthening of their political hold on these territories. In order to make these new legal instruments palatable to British public opinion and to certain sections of the population of the territories concerned, namely, the rising West African bourgeoisie and its intelligentsia,

these new legal instruments of West African subjection were cast in the form of "constitutions."

These current new "constitutions" in the Gold Coast and Nigeria, imposed in 1951, do not contain any of the substance of what is normally understood by a constitution even in the most limited sense: safeguards against the abuse of tyrannical power by an autocratic ruler. They are not the result of concessions granted to popular demand, but foisted upon the people against their declared opposition; both in the case of the Gold Coast and of Nigeria the attempt to present the "constitutions" as having been drafted with the participation of popular representatives failed. The fact that in all that is essential to the continuation of British rule the wording of the two "constitutions" is perfectly identical proves conclusively that they were in fact drafted by the same hand: the Colonial Office.

An analysis of the essentials of the two "Constitutions"— not the make-believe facade of a very complicated electoral machinery, Assemblies, "Ministers," etc., but the real definitions of the seat of power—can be pursued in more or less identical terms for both.

Section 13 of the Nigerian "Constitution" and Section 75 of the Gold Coast "Constitution" read (the Gold Coast text is given in brackets in the following extracts where it differs from the Nigerian text):

> "(1) His Majesty hereby reserves to Himself, His Heirs and Successors power, with the advice of His or Their Privy Council, to amend, add to or revoke this Order as to Him or Them shall seem fit.
>
> "(2) Nothing in this Order shall affect the power of His Majesty in Council to make laws from time to time for the peace, order and good government of Nigeria [the Gold Cost]."

Similarly, section 82 (Nigeria) and 51 (Gold Coast) read:

> "Subject to the provisions of this Order the Governor and the House of Representatives [and the Assembly] shall, in the transaction of any business and the making of laws, conform as nearly as may be to the directions contained in any Instructions under His Majesty's Sign Manual and Signet which may from time to time be adressed to the Governor in that behalf."

The Governor's reserved power is described in the following terms in section 86 (Nigeria) and 58 (Gold Coast):

> "(1) If the Governor considers that it is expedient in the interests of public order, public faith or good government, which expressions shall, without prejudice to their generality, include the responsibility of Nigeria [the Gold Coast] as a territory within the British Commonwealth of Nations, and all matters pertaining to the creation or abolition of any public office or

to the salary or other conditions of service of any public officer that any Bill introduced, or any motion proposed, in the House of Representatives [in the Assembly] should have effect, then, if the House [the Assembly] fail to pass such Bill or to carry such motions [pass such Bill or motion] within such time and in such form as the Governor may think reasonable and expedient, the Governor may, at any time which he thinks fit, and notwithstanding [the Governor, at any time which he shall think fit, may, notwithstanding] any provisions of this Order or of any Standing Orders of the House [the Assembly], declare that such Bill or motion shall have effect as if it had been passed or carried by the House of Representatives [passed by the Assembly] either in the form in which it was so introduced or proposed or with such amendments as the Governor thinks fit which have been moved or proposed in the House of Representatives, including any committee thereof [the Assembly or in any Committee thereof]; and the Bill or motion shall be deemed thereupon to have been so passed or carried and [and thereupon the said Bill or motion shall have effect as if it had been so passed, and, in the case of any such Bill], the provisions of this Order relating to assent to Bills and disallowance of laws shall have effect accordingly."

The qualifications referred to in 58 (Gold Coast) are different from those which are contained in subsequent subsections of 86 (Nigeria) but equally ineffective.

These reserved powers of the Governor make him in fact a completely unqualified dictator, since the House of Representatives (the Assembly) contains several *ex-officio* members, and any Member may introduce any Bill or propose any motion. The ex-officio members are the Chief Secretary, the Attorney-General and the Financial Secretary, and, in the case of Nigeria, the three Lieutenant Governors of the Regions.

The Governor can give or withhold his consent to any law passed by the House or Assembly; and the House or Assembly are in any case not empowered to—

> "proceed upon any Bill, motion or petition which in the opinion of the President [Speaker] or other member presiding, would dispose of or charge any public revenue or public funds or revoke or alter any disposition thereof or charge thereon, or impose, alter or repeal any rate, tax or duty (84 Nigeria, 57 Gold Coast)"

except upon recommendation or with the consent of the Governor; likewise

> "a Bill or motion which [in the opinion of the Speaker or of the Attorney-General] would affect any alteration in the

salary, allowances or conditions of service of any public officer (85 Nigeria, 57 Gold Coast)."

In the latter case the Governor acts in his discretion, i.e. without consulting the Council of Ministers (Executive Council).

Among the matters left to the Governor's discretion is the appointment and revocation of the appointment of any Ministers, except that since the 1952 amendment of the Gold Coast "Constitution" he can only do so after consultation with the "Prime Minister." In addition, a Minister can be removed by a two-thirds vote in the House of Representatives or the Assembly.

There is a vast range of questions on which the Governor can act on his discretion; one of the most important of these powers is that of appointment, promotion and transfer, dismissal and disciplinary control of all public officers.

What remains after this of the functions of "Ministers," "Representatives," etc., is little more than high-sounding titles.

Finally it is important to note the weighted character of the electoral system. In the Gold Coast Assembly, out of eighty-four seats only thirty-eight were open to direct election by universal adult suffrage, while thirty-seven were based on indirect election, six were allocated to the Chambers of Commerce and three were *ex-officio*. The Convention People's Party, which swept the direct elections on the slogan "Self-Government Now" and with the pledge to fight to wreck the "constitution," won thirty-eight seats, and only secured a majority in the Assembly by approaching the thirty-four "Independents" for a compromise agreement. On this basis the upper leadership of the Convention People's Party proceeded to accept the fiction of "office" and work amicably with the Governor—while the Cocoa Marketing Board, Association of West African Merchants and Ashanti Goldfields Corporation continued merrily the exploitation of the Gold Coast people. Even the experience of this limited minority degree of direct election in the Gold Coast so alarmed the imperialists that in the subsequent framing of the "constitution" for Nigeria the most elaborate system of indirect election, at five removes in the North, and at three removes in the East and West, was devised (with the exception of the five seats at Lagos, which were at once swept by the National Council) to weight the results in a conservative direction.

Thus to treat these "constitutions" in the Gold Coast and Nigeria as equivalent to the granting of self-government or democratic institutions in any sense would be a ludicrous caricature. Direct colonial dictatorship remains the basic system of power and government in the Gold Coast and Nigeria.

This does not by any means exclude the possibility of the further development and extension, given certain conditions, of these at present obviously spurious "constitutions" to a type of what

would even be proclaimed to be the equivalent of "dominion status." The conditions governing such a development would depend on a series of factors. The first and most important such factor would be the extent of the advance of the challenge of the mass national movement for independence and its threat to the basis of imperialism. The second would be the progress of differentiation within the class structure of the colonial population and within the national movement; the third would be the degree of success of imperialism on this basis (also through the operation of the present spurious "constitutions") to win over an upper stratum of bourgeois and feudal elements to co-operate with it against the revolt of the people.

The strategy of imperialism in this respect has already been sufficiently demonstrated; and its future application also to West Africa would be possible if there is sufficient development of a reactionary upper section of the bourgeoisie, terrified of the advance of the working class and peasant revolt, and therefore willing to co-operate with imperialism as subordinate junior partners, to undertake the protection of imperialist monopoly interests and accept the odium of suppressing the popular revolt. There is here no absolute dividing line between Asia and Africa, but a difference in stages of social and political development. It is obvious that such a development would have nothing in common with the winning of national independence, but would represent an alternative form of the political machinery devised by imperialism, under conditions of extreme crisis and national revolt, to protect and safeguard its monopoly interests and prolong its real domination and exploitation of the country.

All these variegated methods of imperialism to prolong its domination and maintain its grip over the peoples of Africa—whether the direct fascist methods illustrated in South Africa or the more complex methods of "divide and rule" and "constitutional" camouflage to cover colonial dictatorship in West Africa—cannot finally defeat the rising movement of the African peoples for independence. The vitality of their struggle, their capacity for organisation, sacrifice and heroism, and their eagerness to learn from the example of the victorious colonial liberation movements, and especially from the manifold lessons of the Union of Soviet Socialist Republics and the Chinese People's Republic, is the guarantee of their future victory. The dreams of a new revival of imperialism on the basis of intensified African servitude and exploitation are built on sand.

In order to establish further the truth of this, it will be necessary to examine in greater detail the "Colonial Development and Welfare" programme which is to-day presented with such wide publicity as the grand advertising prospectus of the "new imperialism."

CHAPTER X

MYTHS OF COLONIAL DEVELOPMENT

"Britain talks of colonial development, but on the contrary, it is African and Malayan peasants who are putting capital into Britain. For the first time since free trade was adopted, in the middle of the nineteenth century, the British colonial system has become a major means of economic exploitation."

PROFESSOR W. ARTHUR LEWIS, Professor of Political Economy at Manchester and Member of the Colonial Development Corporation, "The Colonies and Sterling," *Financial Times*, January 16, 1952.

"COLONIAL Development and Welfare." "Help the Backward Peoples." "Develop the Under-developed Territories of the Earth." "A World Plan to Combat Hunger and Poverty."

The phrases run trippingly off the tongue of all modern politicians of imperialism. Colonial Development Corporations, Colombo Plans and Point Four projects are paraded to demonstrate the new vision. President Truman and Premier Churchill, Mr. Attlee and Mr. Bevan all unite to proclaim the common theme.

It is indisputably true that countries with advanced technique and highly developed modern productive equipment can greatly assist the peoples in countries of backward technique to accelerate their economic development and advance to higher standards—*provided* that the relations of the colonial system, which are at the root of their poverty, are abolished; *provided* that the operations of the predatory monopoly combines, which extract the wealth from these countries, are stopped; and *provided* that the ruling Power ceases to uphold and maintain obsolete economic and social forms, land systems and feudal and princely strata for political reasons, which bar the road to economic development. On the basis of freedom and equal rights such aid from the more advanced to the less advanced can be of inestimable value. The Soviet Union has demonstrated this in relation to the former backward and oppressed subject nationalities of the old Tsarist Empire with the consequent amazing and unparalleled advance to very high levels

in one third of a century; so that a country like Tajikistan, on the borders of India, which was formerly on an even lower level of backwardness and general poverty than India, now stands at a high level of industrial and cultural advance, while the masses of India remain in the depth of semi-colonial backwardness and misery.

But to speak of "developing the under-developed colonial and semi-colonial countries," *without* abolishing the colonial system, *without* interrupting the plunder and bleeding of these countries by the exploiting overseas imperialist monopolies, and *without* overthrowing the obsolete social and economic reactionary forms whose existence is artificially prolonged and maintained by imperialism—this is, at best, childish utopian chatter and myth-making, comparable to the similar dreams of abolishing poverty without ending capitalist exploitation, and, in practice, the cheapest coinage of current imperialist cant and hypocrisy to cover the reality of intensified colonial exploitation in the name of "development."

To prove this, it is necessary to examine in more detail the kind of projects put forward and the practical experience of them.

1. *Colonial Development and Welfare?*

The Colonial Development and Welfare Acts of 1940, 1945, and 1950, and the Overseas Resources Development Act of 1948, establishing the Colonial Development Corporation and Overseas Food Corporation, have been widely presented as the proof of a "new vision" and "new era" under imperialism. They are offered to the public at home and to world opinion as acts of unexampled generosity of the British taxpayer towards the colonial peoples. Impoverished Britain is pouring out its resources to help the backward colonial peoples along the path of economic prosperity and social wellbeing.

The Labour Party programme, *Labour Believes in Britain*, published in the spring of 1949, lyrically proclaimed:

> "Great Britain and the colonies have gone into partnership to liquidate ignorance, poverty and disease."

"Imperialism is dead, but the Empire has been given new life," announced *The Labour Speaker's Handbook*, 1948-9, and proceeded:

> "In the colonies Labour Britain has given a tremendous impetus to social and economic progress. Under the Colonial Development and Welfare Scheme, £120 million is given to colonial governments to assist local planning. The Colonial Development Corporation with a capital of £110 million has been established to finance special projects of large-scale economic developments. Further still the Overseas Food Corporation is

empowered to spend £55 million on great plans for increasing food production in the colonies. Even Beaverbrook has welcomed these schemes and admits that the Labour Government has done more for the Commonwealth than the Tories ever did with all their phrasemongering."

Similarly, the *Daily Herald* boasted:

> "It has been left to a Labour Government to develop the economic and human potentialities of the Empire which successive Tory Governments ignored."
>
> (*Daily Herald*, June 26, 1947.)

Lest it be imagined from this that there was any difference between official Conservative and official Labour policy in relation to these schemes, it is worth noting, not only that "Colonial Development and Welfare" was initiated by a Conservative Government and carried forward by the subsequent Labour Government, but that all the colonial development programmes of the Labour Government were supported and endorsed by the Conservative Party. This applies even to the notorious groundnuts scheme, on which the *Conservative Campaign Guide*, 1950, recorded that "the Conservative Party gave wholehearted support to the general principle of the scheme."

It will accordingly be useful to examine a little more closely the work of these Acts and the operation of the schemes for colonial development. The policy of "Colonial Development and Welfare," on the basis of which the Act of 1940 was drawn up, was first formulated by the Chamberlain Conservative Government in the White Paper of March, 1940.

The Act of 1940 provided for sums of up to £5 million to be paid annually, for a period of ten years, from the British Exchequer to the Colonial governments for purposes of improving communications, educational and health services, water supplies, etc., and the 1945 Act increased this sum to £12 million annually, for the ten-year period 1946-7 to 1955-6. In 1948 the Overseas Resources Development Act established the Colonial Development Corporation with borrowing powers up to £55 million. The Colonial Development and Welfare Act of 1950 increased by £20 million the sum of £120 million provided under the previous Act to a total of £140 million, with a maximum expenditure in any one year of £25 million.

Before these vast figures of widely advertised generosity to the colonial peoples dazzle the innocent into taking them at their face value as a true picture of the economic relations of British capitalism and the colonies in the modern period, it will be advisable to make one or two comments.

In the first place, the figures announced as *allocated* by no means correspond to the amounts actually spent during the eleven

years of operation of the Acts to date. This is shown in the latest returns of the operation of the Colonial Development and Welfare Acts, up to March, 1952:

Table 27

ACTUAL ISSUES FROM THE COLONIAL DEVELOPMENT AND WELFARE VOTE DURING THE TWELVE YEARS ENDING MARCH 31, 1952

Year	*Development and welfare*	*Research*	*Total*
	£	£	£
1940-1	170,389	—	170,389
1941-2	435,399	6,670	442,069
1942-3	473,372	13,793	487,165
1943-4	1,547,404	30,450	1,577,854
1944-5	2,980,817	58,345	3,039,162
1945-6	4,558,774	93,306	4,652,080
1946-7	3,377,300	169,388	3,546,688
1947-8	4,911,389	428,300	5,339,689
1948-9	5,681,006	764,211	6,445,217
1949-50	11,700,209	1,285,348	12,985,557
1950-1	11,864,773	1,406,651	13,271,424
1951-2	13,239,237	1,231,445	14,470,682
	60,940,069	5,487,907	66,427,976

Thus over the period of twelve years, from the inception of the scheme to 1952, the actual payments under the Colonial and Development Welfare Acts amounted to £66,427,976. This had to be divided between some forty-six colonial territories with a population of 81 millions. A simple sum in arithmetic will show that this is equivalent to a total amount of 16s. 4d. per head for the entire period of twelve years, or *an annual average rate of* 1s. 4d. *per head.*

Even if the period of five years under Labour Government from 1946 to 1951 is isolated, in order to review only the accelerated expenditure since the 1945 Act, the total of £41,588,575 for the five years 1946-51 under the Labour Government, is equivalent to an annual rate of 2s. 0½d. per head of the population of the colonial territories, or *less than ½d. per week per head.*

These figures of actual expenditure look decidedly less impressive in contrast to the vast promises of economic development, abolition of poverty, extended health, education, social services and welfare—all for less than ½d. per week.

On the other hand it is necessary to see certain features in the account which require to be set against the figure of ½d. per week

per head before a final balance is struck. The total sterling balances of the colonies, representing goods and services extracted from the colonies during the war and after, payment for which has been covered by "frozen" balances in London (thus equivalent to a type of forced loan) amounted to £1,042 million by the end of June, 1952. It will thus be seen that the total amount paid over under the Colonial Development and Welfare Acts during the twelve years of their operation is only equivalent to *less than one fifteenth part* of the sterling balances owing to the colonies for goods received and not yet paid for. If this one fifteenth part of the sterling balances had been released, the sum actually spent under the Acts would have accrued to the colonies without any of the humbug and pretence of free gifts and philanthropic grants.

It is further worth noting that these sterling balances have actually increased in the most recent period at the same time as the grants were being paid under the Development Acts. To this point it will be necessary to return, as it is of cardinal importance for the real process of intensified exploitation which has been hidden behind the mantle of "development and welfare." Thus the sterling balance of West Africa alone increased during the year 1948 by no less than £20 million or more than three times the total amount paid out to all colonies during the year 1948-9. This is indeed to take out a pound with one hand in order to return a few shillings with the other and call the procedure philanthropy.

The relentless logic of these figures compelled the *Manchester Guardian*, in reviewing the official report *The Colonial Territories* 1951-2, to admit:

> "If one reckons only in financial terms, we are getting out of the Colonies in the course of trade more than we put into them in the course of investment... the sterling balances held by the colonial territories increased in the year from £850 million to £1,085 million. Against this an expenditure from Colonial Development and Welfare Funds of about £14 million is small beer."
>
> (*Manchester Guardian*, May 30, 1952.)

But even this does not measure the full real balance sheet of the profit and loss account between British capitalism and the colonies. In the familar official presentation that "Britain does not make a penny out of the colonies" and that on the contrary "Britain hands out millions of pounds to help the colonies," the real profit drawn by British capitalism from the colonial possessions which finds expression in the profits of the big imperialist trading and investment monopoly combines, operating principally in the products of the colonial and semi-colonial countries, is never brought into the balance sheet. In the year 1950 a single imperialist combine like Unilevers, dominating, through the United Africa Company, Nigeria

and the Gold Coast, made a gross profit of £66 million; Royal Dutch-Shell made a gross profit of £190 million and a net profit of £49 million; Anglo-Iranian a gross profit of £115 million and a trading profit of £81 million. Thus the spoils drawn by a single imperialist combine in a single year were more than the entire amount paid out under the Colonial Development and Welfare Acts to all the colonial territories in the world over the entire period of twelve years.

This exposure of the flagrant deception perpetrated in the name of the so-called "free gifts" of the Colonial Development and Welfare Acts is more than the question of a simple arithmetical exposure of a balance sheet which is in fact fraudulent. It is necessary to examine what is meant by the term "development." *What kind of "development"? In whose interests?*

2. *The Colonial Development Corporation*

The answer to the question "What kind of development?" is best obtained by examining the proceedings of the Colonial Development Corporation, established in 1948 alongside the Overseas Food Corporation. It is worth noting that the Overseas Food Corporation was originally placed, revealingly enough, under the British Food Ministry—thus indicating its primary purpose, not of colonial development, but of meeting British emergency needs out of colonial resources—until its subsequent transfer to the Colonial Office.

Does the role and activity of the Colonial Development Corporation represent any basic change in the character of the colonial system?

The essence of the colonial system lies in the subjection of the economy of the colonial country to the requirements of the economy of the imperialist country.

This general relationship is normally expressed in the role of the colonial country as a source of cheap raw materials and primary products, as a market for the relatively costly industrial products of the imperialist country, and as a sphere of investment for the export of capital by the capitalist class of the ruling imperialist country in the search for colonial super-profits on the basis of direct exploitation of the resources and labour of the colonial country. At a later stage we shall have occasion to examine the complications which have developed in the previously smooth operation of this system during the period of the general crisis of capitalism and of British economic weakening and decline.

For this purpose imperialism establishes a dominant hold on the trade and external financial relations of the colonial country, and normally also on its currency and internal financial system. The natural resources available, minerals, etc., are as a rule appro-

priated (directly, or in the form of "concessions" and leonine "lease" agreements) by the monopolists of the ruling power and exploited for their profit, the resultant profit being drawn out of the country in place of serving the needs of development within the country. The land is either directly taken over, or the best parts taken over, with the colonial peoples segregated and over-crowded on the reserves or working on plantations; or the cultivating peasantry, remaining on the land, is drawn into the network of imperialist exploitation, providing cash crops for the capitalist market at the expense of the food needs of their own people. The labour power of the people is drawn, by means of economic pressure, taxation, special legislation or open coercion, to serve the interests of foreign exploiters.

It is evident that the first necessity for real economic development and advance in a colonial country is that the wealth and resources of the country shall cease to be alienated to foreign owners and shall be restored to the people, and shall be used, not to provide profit for absentee exploiting companies, but to promote the needs of development within the country. In place of the dependent and tributary colonial economy, a balanced economic development is essential, carrying through industrialisation and combining industry and agriculture in such a way as to make possible a real advance in productive levels and living standards.

In practice such a programme requires an indispensable *political* pre-condition—the national independence of the former colonial country in order that a government may be established representing the interests of economic development of the country which will carry through such a programme.

On the other hand, what is the character of the operations of the Colonial Development Corporation or Overseas Food Corporation in relation to this colonial economy?

These Corporations exist nominally to carry out a limited measure of state-controlled export of capital under the supervision of the ruling imperialist state (Colonial Office or Food Ministry acting through formally autonomous corporations with a directorate appointed by the Ministry) for special approved schemes regarded as ancillary to the main sphere of private export of capital. In reality, even the "export of capital" is fictitious, since it is more than outweighed by the parallel greater accumulation of sterling balances.

The then Colonial Secretary, Mr. Creech Jones, in introducing the plans for the Colonial Development Corporation in Parliament on June 25, 1947, explained three governing principles:

(1) "it will operate on commercial principles";

(2) "it is not intended to supplant private enterprise, but to supplement it";

(3) "no doubt these enterprises will be mainly agricultural."

On behalf of the Conservative Party, Mr. Oliver Stanley, the former Colonial Secretary, in supporting the scheme during the same parliamentary debate, "welcomed in particular the Secretary of State's statement as to the important part to be played by private enterprise in colonial development."

Similarly Lord Trefgarne, the first Chairman of the Colonial Development Corporation, reporting on its activities at a Press conference on January 1, 1950, emphasised:

"We always prefer to go in with a private concern."

Asked how many of the schemes so far developed were in partnership with private enterprise, he replied that he would estimate at least one third.

In accordance with these principles the governing personnel of the Colonial Development Corporation, Overseas Food Corporation and their subsidiary concerns, has been from the outset entirely dominated by big business interests and direct representatives of the banks and leading monopoly combines. Thus the seven directors originally appointed for the Colonial Development Corporation included Sir Miles Thomas, previously Vice-Chairman of Morris Motors; H. N. Hume, Chairman of the Charterhouse Trust, Ltd.; R. E. Brook, a director of the Bank of England; and J. Rosa, a banker.

The schemes of colonial "development" initiated or sponsored by the Corporation have corresponded entirely to these principles of maintaining the character of colonial economy and serving the primary interests of private commercial colonial exploitation, and have been further restricted by the requirement that the schemes must be on a commercial revenue-yielding basis.

The *Annual Report of the Colonial Development Corporation for 1950*[1] revealed that out of the total of fifty undertakings initiated since its inception, with an aggregate capital sanctioned (not necessarily issued) of £31,354,000, not one was for major industrial development.

> "50 per cent. of the capital is for land development schemes—agriculture, forestry, animal products; 64 per cent. for primary production—agriculture, animal products, fisheries, forestry, minerals—though this includes some capital for further processing of raw materials, as, for example, canning."

Only 10 per cent. of the total capital sanctioned, or £3,170,000, was returned as for "factories." The character of the "factories" planned

1 The Annual Report for 1951 further confirmed the general picture analysed above. It showed a total of fifty-three undertakings at the end of 1951, with an aggregate capital "sanctioned" of £35,729,294; only 12.4 per cent. of the capital sanctioned was returned as for "factories."

is sufficiently indicated by the more detailed description given in the Report:

> "*Factories.* Many secondary industries projects have been examined.... Nearly all new factories must establish their products in competition with imports....
>
> "Plans for cement manufacture in Trinidad have been worked out... a site selected... various measures for establishing the industry are now being discussed....
>
> "Projects for textile manufacture have been held up because of doubts about increasing Japanese competition....
>
> "A plan to erect and operate a rubber factory in Johore, Malaya, to process smallholders' rubber was mentioned in last year's Report. Various difficulties, still unresolved, have delayed its start....
>
> "Several other projects for processing indigenous raw materials for local use or for export have been examined. Factories and Forestry divisions are reviewing the possibilities of using sugar cane bagasse for the manufacture of paper....
>
> "In Africa possibilities for oil-seed processing and oil refining are being studied."

These interesting "studies" hardly suggest a revolution in colonial economy.

The financial conditions for the schemes require payment of interest and repayment of capital. "The Corporation, of course, is liable to H.M. Government for the repayment of the capital advanced and for interest thereon when due." The total deficiency for the year 1950, after covering all overheads and office expenses, was £1,320,249—thus representing a total generosity of under 4d. per head of the colonial population for one year of colonial "development," with the strict understanding that the 4d. must be ultimately recoverable.

> "The Corporation, in order to break even, has to earn a commercial return on the money which it invests. It is designed to undertake development projects which private enterprise cannot or will not attempt, but it is forced to work on the same sort of principles which govern the activities of private concerns. This goes a long way to explain why there is an isolated project here and another there—a hotel in Uganda and crawfish canning in Tristan da Cunha; the Corporation has to scratch round for limited opportunities which are not attractive to private enterprise, and yet which still give the possibility of a commercial return.... There is, in a sense, more money left for supplying turtle meat from Grand Cayman Island than for education in Africa."
>
> ("Development Without Welfare," *New Statesman and Nation*, September 8, 1951.)

The lament over the crippling burden of interest and redemption charges, including on lost capital spent on abandoned enterprises, sounded still more loudly in the doleful Report of the Corporation for 1951:

> "Whatever the position—even if the money has all been wasted owing to the job having to be abandoned—the advances have to be repaid; and interest is charged on them till they are."

Interest rates, it was pointed out, had risen from 3 per cent. when the initial capital was advanced in 1948 and 1949 to 4¼ per cent. by February, 1952, or "an increase of over 40 per cent. in the largest overhead."

> "Earnings must average 6¾ per cent. after payment of colonial tax to meet interest; or more with overheads; more still if advances are to be duly repaid....
>
> "Even this is not the end of the story; losses have to be written off—£4½ million of them at the end of 1951; or rather, since there is no writing off, that sum has to be carried *sine die* like a millstone round the neck; interest be paid on it; itself be repaid somehow or other.
>
> "The result must be to deflect Corporation from its primary purpose of opening up new fields of development until times—and rates—change, unless the case which the Corporation has presented to Government on these fundamental financial difficulties leads to some measure of relief."
>
> (*Annual Report of the Colonial Development Corporation for* 1951, pp. 6-7.)

The unhappy plea of the Corporation met with a stony reception from the Government. Lord Munster, Under-Secretary for Colonial Affairs, stated in the House of Lords on May 28, 1952, that "no real purpose could be served by writing off capital losses now." The maximum relief would be to waive interest charges on dead capital. Meanwhile, with the eye of a speculative moneylender watching the writhing of his client, he offered a new line of medium-term advances for ten years at 3¾ per cent. For the rest, he counselled "caution... keep speculative projects down to the minimum... let bygones be bygones."

Such was the Government's official obituary for the Colonial Development Corporation.

In the light of this concrete experience it is sufficiently obvious that the entire work of the Colonial Development Corporation, so loudly publicised for platform perorations, offers no solution for the problems of colonial economy or development, but represents merely a minor element in the general apparatus of colonial exploitation. The key task of industrialisation is rigidly excluded and resisted.

This negative attitude to industrial development was openly expressed by Sir Stafford Cripps in his speech to the African Governors' Conference on November 12, 1947:

> "You will, I understand, be considering the question of the development of manufactures and industries in the colonies. Though I take the view that such development is highly desirable, so long as it is not pushed too far or too quickly, yet it must be obvious that with the present world shortage of capital goods, it is not possible to contemplate much in the way of industrial development in the colonies. The available steel will be better used both from a world point of view as well as from the point of view of the colonies themselves in doing our utmost to increase the supplies of foodstuffs and raw materials."

Similarly, the Colonial Under-Secretary, Mr. Rees-Williams, wrote in *Fact*, March, 1949:

> "It is no part of our purpose to try and set up everywhere small Lancashires. It is quite obvious that every territory cannot produce everything."

The same outlook was upheld by the British delegation to the United Nations Assembly in December, 1951, when in the United Nations Economic Committee Cuba submitted a resolution urging the study of measures to industrialise under-developed territories. Forty-one countries voted for the resolution. Two voted against even this modest proposal to "study" industrialisation in under-developed territories. The two opposing Powers were Britain and Holland.

Beneath the transparently thin cover of "philanthropy" and "benefiting the backward colonial peoples" the real primary purpose of imperialist policy in pursuing these "development" schemes at the present stage is in fact unconcealed. The real aims are both strategic and economic. The strategic aim covers much of the special expenditure on railways, strategic roads, ports, etc., in certain areas where the scale of expenditure exceeds any normal expectation of profitable economic return. The economic aim is directed to intensify the exploitation of colonial resources in order to increase the supply of colonial primary products as a means of assisting the economic problems, food and raw material deficiencies, and special problems of the deficit in the balance of payments, of the ruling imperialist countries.

As already shown in the survey of the dreams of the "New African Empire" in the last chapter, the aims of the Western European imperialist statesmen are openly directed to solve the problems of the bankruptcy of their own imperialist system by intensifying the exploitation of Africa and other colonial territories. This was the plain declaration of the Prime Minister, Mr. Attlee, in Parliament on January 23, 1948:

> "Western Europe cannot live by itself as an economic unit. Hence the desire for wider integration with Africa and other overseas territories."

The Chancellor of the Exchequer, Sir Stafford Cripps, stated on November 12, 1947:

> "The whole future of the sterling group and its ability to survive depend, in my view, upon a quick and extensive development of our African resources."

And the Food Minister, Mr. Strachey, moving the third reading of the Overseas Resources Development Bill on January 20, 1948, no less emphatically asserted:

> "By hook or by crook the development of primary production of all sorts in the colonial territories and dependent areas in the Commonwealth and throughout the world is a life and death matter for the economy of this country."

Indeed, the former Conservative Colonial Secretary, Mr. Oliver Stanley, expressed his weariness with the pretences that the main purpose was to benefit the Africans when he cynically stated:

> "I agree that *indirect* benefit will flow to the colonies, but let us be frank about it."

And a year later Mr. Strachey, on March 14, 1949, frantically endeavouring to meet the barrage of criticism over the fiasco of his groundnuts scheme, was at pains to insist that it had never been intended as a "philanthropic proposition":

> "For us now to make some sort of announcement... that the scheme was no longer intended to produce oils and fats, but was to be turned into some sort of eleemosynary object of raising the level of African life, would be the worst thing to do. How can we develop great areas and lift the standard of life of the population except by businesslike schemes which have a real commercial object?....
>
> "The scheme is a thoroughly hard-headed and not philanthropic proposition....painful readjustments for the African population... this is not a philanthrophic scheme started purely and solely for the African's benefit."

Even so, the scheme was by no means so "hard-headed" as Mr. Strachey imagined.

3. *Contradictions of Colonial "Development"*

The practical contradictions which defeat these grandiose paper schemes of the would-be "planners" of imperialism have been already examined in some detail in the preceding chapter.

The propaganda picture presented in order to attract the support of well-meaning public opinion in the imperialist countries is a glowing picture of vast philanthropic schemes, at the cost of a mere minute fraction of the annual budget, to raise the standard of living of the impoverished colonial peoples, bring the blessings of Western technique to backward countries, banish poverty and thereby "rout the menace of Communism," and incidentally solve the economic problems of the Western countries.

A charming picture—if it bore any relation to the facts of life under imperialism. Assuredly it is a duty of peoples with advanced industrial technique to assist the most rapid development of peoples at a low technical level so as to help them to solve the problems of their poverty and promote common prosperity. It is perfectly possible. It has been done. It is being done to-day. But it is being done only in those countries where the peoples under Communist leadership have successfully ejected the imperialist bandits and their local subsidiaries and have therefore been able to begin the reconstruction of their countries.

Imperialist "enterprise" is capable of "developing" colonial countries in one way only—to organise the most rapid plunder of their resources for the quickest profit without regard to the future, to annex their minerals or oil, to rape their soil, to dispossess the inhabitants and force them to labour for their conquerors, to introduce plantation economy, and to construct railways and ports and military bases for the more effective exploitation and domination of the subject people.

All this performs a certain historical task in the sense that, by the intensive exploitation of the people and the consequent arousing of their resistance, and by the creation of a colonial proletariat, it prepares the way for new advance so soon as the peoples free themselves from the yoke of imperialism and gain possession of the resources of their countries.

But to speak of imperialist colonial "development" as the cure for the ruin and impoverishment which is caused by imperialist colonial development is at best a cruel myth which covers a very different reality.

The first necessity to begin the real economic reconstruction of the backward colonial and semi-colonial countries is to end the drain on their resources by the tribute drawn to the imperialist countries through the operations of the imperialist monopolies, and to end the distortion of their economies as dependent colonial economies auxiliary to the requirements of the imperialist monopolies

in place of the balanced development of their economic resources in the interests of the home population.

But the current schemes for large-scale state-aided imperialist colonial "development" are based on the assumption of the continuance of the existing imperialist exploitation and protection of the existing imperialist monopoly interests or ownership of the country's resources. In consequence, even if the schemes were intended to promote genuine economic development and combat poverty and backwardness, they are not only incapable of combating the causes of such poverty and backwardness, but are actually parasitic on the system which is creating these conditions and is churning out economic deterioration and impoverishment a hundred times faster than the best intentioned and most philanthropic scheme (if such existed), resting on this basis, could allay. The blood is drawn in gallons from the patient in order that a few drops may be injected back into his veins in pity for his emaciated condition. And even this is the most favourable, the most "idealist" picture of these schemes, in very sharp contrast with their actual character in practice, which is far from philanthropic or charitable.

This is the first obvious contradiction in these schemes of imperialist colonial "development."

The second contradiction follows from the first. Consequent on the subordination to the requirements of imperialist economy, the schemes are never in fact directed to promote the economic development which is required by the colonial peoples, that is, to overcome their dependent colonial economy, but are always in fact directed to maintain and intensify that colonial economy in the interests of the ruling imperialist country. This has already been illustrated in the experience of the Colonial Development Corporation, with the open hostility to major industrial development, the emphasis on subordination to private profit-making enterprise, and the rigid requirements of the return on capital. In the final outcome the schemes commonly fail, not only to benefit the colonial peoples, but even to fulfil the more rapacious aims of the imperialist countries dreaming to solve their own economic problems through the magic formula of colonial "development," as the get-rich-quick projects come up against the obstacles of colonial economy. All that remains in hard practice from the capital expended is most often only what serves the strategic requirements of imperialist domination or prepares the conditions for further commercial penetration and exploitation (railways, roads, bases, etc.).

The third major contradiction arises especially in the case of Britain and the Western European countries which seek to solve their own economic problems and their deficit on the balance of payments through accelerated colonial "development." For it is precisely the schemes of large-scale accelerated colonial "development" which require an enormous initial outlay of capital; and it is the essential

character of the deficit on the balance of payments that the basis for any genuine export of capital is lacking. This is the vicious circle which has already been examined in the preceding chapter. The hopes for large-scale colonial "development" thus turn inevitably into begging appeals for the large-scale penetration of United States capital into the British Empire.

> "In the development of the resources of the colonial empire lay our great hope....But we could not invest a deficit in developing the colonies....We must be able to attract capital in the next few years from outside the sterling area, because our own surplus would not be enough for the job."
>
> (OLIVER LYTTELTON, Colonial Secretary, House of Commons, March 17, 1952.)

On the other hand, an examination of the experience of Point Four will show that the United States, however abundant the supplies of capital at its command, has shown little interest in expending capital for doubtful profitable return, except where it is directed primarily to promote military and strategic aims, political aims or aims of controlling supplies of strategic raw materials and furthering penetration at the expense of British monopolist interests.

Some of these contradictions of the more grandiose schemes for colonial "development" as the solution of Britain's economic problems found a conspicuous initial demonstration in the experience of the loudly advertised groundnuts scheme which ended in such melancholy notoriety. This scheme was originally put forward in the spring of 1946. It had been prepared by the United Africa Company, the giant African subsidiary of the mammoth trust Unilevers—the biggest and most universally hated African exploiting combine, which holds all Central Africa in its grip, and draws gigantic tribute. The United Africa Company kindly proposed the plan to the Labour Government in the spring of 1946, suggesting that the Government should bear the expense. The Labour Government eagerly adopted the plan, announced it with a flourish of trumpets in the White Paper of November, 1946, and gratefully appointed the United Africa Company to be managing agents for the initial period until the Overseas Food Corporation took over. The plan proposed that the Government should spend £24,000,000 initially and £7,750,000 annually to establish gigantic groundnuts (peanuts) plantations covering three and a quarter million acres, in 107 units of 30,000 acres each, in Tanganyika, Northern Rhodesia and Kenya, to be worked by 30,000 African wage-labourers at colonial wage rates. This giant scheme of plantation labour was actually presented to the British public as a great "socialist" plan—or "a curious and interesting mixture," as Mr. Strachey phrased it, "of the methods and motives of private enterprise and Government enterprise and

finance." The tempting bait was held out to the hungry British public that it would by 1950 cover half Britain's deficit in fats and save Britain £10,000,000 a year.

The practical outcome of the plan proved very different from the prospectus. The cost of clearing the bush was found in the first year to be ten times the original estimate. By 1949, after an expenditure of £23 million, the area of 26,000 acres planted with groundnuts was less than one-fiftieth of the area planned to be reached by that year; and the yield of 2,150 tons of unshelled groundnuts was less than the seed provided. The aim of 3¼ million acres was scaled down in 1949 to 600,000 acres. In 1950 it was scaled down again to 210,000 acres. In 1951 the scheme was abandoned, after a net loss of £36,500,000. The small area actually cleared was relegated for cattle-grazing or general agriculture. But it was decided to complete the port and railway construction planned, although "in the view of the corporation the amount of traffic under the new scheme no longer justified the completion of the new port." Thus a portion of this colossal expenditure served the strategic plans of British imperialism in developing its war base in East Africa, with the construction of railways, roads, ports and airstrips, even though it completely failed to fulfil the lavish promises of economic benefits for the African or British peoples.

4. *The Colombo Plan*

The more grandiloquent language of the British and American imperialists about "World Plans to Combat Poverty," "Development of Under-developed Territories" and "Aid to Backward Peoples" has been associated, in the recent period, especially with the Colombo Plan from the side of British imperialism and President Truman's Point Four from the side of American imperialism.

The Labour Party Statement of Policy, *Our First Duty—Peace,* published in 1951, proclaimed:

> "A great international effort is required to raise living standards in Asia and Africa. Labour has led the way with Colonial development and the Colombo Plan. Now the free peoples must combine to carry out a World Plan for Mutual Aid."

President Truman, announcing his Point Four Programme in his Inaugural Address of January, 1949, proclaimed:

> "We must embark on a bold new programme for making the benefits of our scientific advance and industrial progress available for the improvement and growth of under-developed areas.... We should foster capital investment in areas needing

development.... This should be a co-operative enterprise in which all nations work together through the United Nations.... The old imperialism—exploitation for foreign profit—has no place in our plans."

In reality these two "Plans" have represented the advertising prospectus of the rival programmes of the weaker British imperialism and the stronger American imperialism. The practical experience of these two Plans throws a further light on the real character of imperialist colonial "development."

The Colombo Plan arose from the Colombo Conference of Empire Foreign Ministers in January, 1950, which had been called to consider measures for combatting Communism in South-east Asia. The initial proposal came from the anti-Labour Australian Minister for External Affairs, P. C. Spender, who advocated a plan of economic development for Empire countries in South-east Asia; and the proposal was at first dubbed the Spender Plan. It was warmly welcomed by the British Conservative spokesman, Anthony Eden, speaking in the House of Commons on March 6, 1950:

> "The point I want to emphasise is that if we are to build up an effective barrier against Communism in South-east Asia, we cannot do it on the basis of isolated treaties alone.... We have got to see whether we can produce an effective alternative way of life that will appeal to the men and women in those lands, just as Communism undoubtedly appeals to some of them because of its attempt to identify itself with independence from the foreigner. That is not an impossible task, but it is a very difficult one....
>
> "That is why I say that we welcome, for instance, the initiative of the new Australian Minister for External Affairs, at Colombo, in putting before the Conference what I believe is now called the Spender Plan for collective Commonwealth effort to improve living standards in South-east Asia."

At the subsequent Sydney Conference of the Commonwealth Consultative Committee in May, 1950, the project was further developed, and finally emerged, in a report published in November, 1950, as "The Colombo Plan for Co-operative Economic Development in South and South-east Asia."

The Colombo Plan outlined a six-year programme of development for India, Pakistan, Ceylon, Malaya and British Borneo. The cost was estimated at £1,868 million, of which £300 million should come from Britain, and £700 million from other "external" sources (Australia, Canada and—possibly, hopefully, but not mentioned by name—the United States). The details of the Plan were based on combining separate development programmes by each of the Governments in the territories covered. It was claimed that the Plan

would increase land under cultivation by 13 million acres, production of food grains by 6 million tons, or 10 per cent., land under irrigation by 17 per cent., and add 67 per cent. to electricity-generating capacity. In accordance with the requirements of colonial economy, the main weight of the Plan was concentrated on agriculture and primary production, transport and communications, with only 10 per cent. of the projects concerned with industry or mining other than coalmining.

The aim of the Colombo Plan to carry forward and reinforce the characteristic imperialist economy in South-east Asia was frankly stated in the introductory remarks of the official Report presenting the Plan:

> "The countries of the region (South and South-east Asia) play an important part in world economy. The area is a main source of the food and raw materials consumed throughout the industrialised world.... In return, the industrial products of the West—textiles, machinery, iron and steel—flow back into the area.
>
> "... The earning of this dollar surplus in trade with South and South-east Asia was an important factor in enabling the United Kingdom and Western Europe to finance their dollar deficit before the War."

The Colombo Plan was officially inaugurated in July, 1951. But from the outset it was only a paper "Plan." Its contents were no more than an aggregation of the various "plans" of the governments concerned. The key of its real character lay in its financial provisions. Even had the projected £1,868 million been available, this would have been equivalent to an annual rate of about 11s. per head (compared with £40 per head for capital investment in Britain). This amount, it was recognised, would represent about one-eighth of the amount required to obtain even as low an annual increase in national income as 2 per cent. Thus, even if the Plan was fulfilled over the six years, the Report admitted that, so far from representing an advance in standards, it "will do little more than hold the present position."

But this figure of £1,868 million was in reality completely imaginary. £840 million was assumed to come from the countries themselves. Thus the real figure of "aid for development" was to be £1,028 million. But precisely this figure was fictitious. It was stated that £306 million would be forthcoming from Britain. But of this £306 million, £246 million would be covered by withdrawals from sterling balances—that is, would not represent any new "aid," but only partial repayment of debts already owing. Thus the only new "aid" would be £60 million from the already allocated colonial development funds, or £10 million a year, equivalent to about 4d. per head per year. If this £10 million a year for the whole of South

and South-east Asia is compared with the amount drawn from Malaya alone for the sterling pool ($1,513 million or £447 million during the six years 1946-51), the fraudulent character of this "aid" is evident.

What of the remaining £700 million? This did not even exist as a paper calculation. It was hopefully assumed that it would be forthcoming from "other" external sources. The prospects from Australia or Canada were known to be slight. In other words, it was hopefully assumed that the bulk of the capital for this British Empire development plan would be forthcoming from the United States. Any such hopes were, however, speedily dashed.

In February, 1951, Mr. Acheson made clear on behalf of the United States Government that there would be no question of American financing of the Colombo Plan, and that the United States preferred to follow its own plans for technical aid in South-east Asia and to make its own bilateral arrangements with the governments concerned. This announcement caused, as was admitted in semi-official statements in the British Press, "profound disappointment in London." The *Manchester Guardian* of March 1, 1951, ruefully commented:

> "Last November the Government published the Colombo Plan for economic development in Asia; it gave it the attractive title 'New Horizons in the East.' It begins to look as if the new horizon was a mirage."

The Colombo Plan was, indeed, stillborn, and has subsequently remained in circulation mainly as a fraudulent advertising prospectus for hoodwinking the innocent. By the time of the Conference of the United Nations Economic Committee for Asia and the Far East in the autumn of 1951, the British delegation gloomily explained that the requirements of rearmament would make it impossible for Britain to export to South-east Asia the capital goods required for development. It is not surprising that the Asiatic representatives contrasted the declaration of the Soviet delegation to the Conference that the Soviet Union would be prepared to supply the countries of the Far East and Southern and South-east Asia with capital equipment and other goods required in return for their products. *The Times* of October 13, 1951, acidly commented:

> "Both the British and the American delegations have given sober and rather depressing forecasts of the amount of goods likely to be available for export, but the effect of honesty in their statements was diminished by their apparent belief that Asian countries are willing to accept economic hardship for the good of Western rearmament.
>
> "The Russians, on the other hand, have offered to barter capital goods and consumer articles in exchange for raw mate-

> rials, including rubber and tin... they appear to have appreciated the situation more shrewdly."

By February 22, 1952, when the question of the Colombo Plan was raised in Parliament ("the Colombo Plan is in great danger"—Harold Wilson), the Minister for Economic Affairs, Sir Arthur Salter, replied that the Colombo Plan was no doubt "important and valuable," but

> "what was done in the way of development on capital export for purposes of development had to be related not only to human needs but to the resources at our disposal."

This was in effect the official epitaph of the Colombo Plan — Corresponding to the similar official epitaph on the Colonial Development Corporation already quoted.

Mournfully those well-meaning reformers who had placed their hopes in the Colombo Plan as the path to the solution of Asian poverty had to admit:

> "Launched in high hopes, the Colombo Plan is now in great danger of collapse; Asian opinion is apprehensive and even cynical."
>
> (Association for World Peace Report on "War on Want," 1952.)

The Colombo Plan was never actually buried. It only "passed over to the other side," i.e. became merged within the wider orbit of United States imperialism in Eastern Asia.

By the time of the first annual conference of the Colombo Plan countries at Karachi in March, 1952, the composition of its Consultative Committee had considerably changed from the original seven. The United States was now a full number, together with Burma, Nepal, Vietnam, Cambodia and Laos, and with consultative representation from Indonesia, Siam and the Philippines. Thus to the original seven British Empire countries which had launched the Plan, nine new countries outside the Empire had now been brought in under the leadership of the United States. The *Economist* of March 29, 1952, ruefully commented that this intervention of the United States to take over the running of the Plan by no means necessarily meant a change in the attitude of the United States from its former frigidity to helpfulness:

> "It is unfortunate that while Washington takes part in the running of the Colombo Plan, American influence in Jakarta is reported to be working against Indonesia joining the plan."

The Chairman of the Hong Kong and Shanghai Bank, Sir Arthur Morse, speaking at the annual shareholders' meeting on March 7, 1952, defined succinctly the new situation:

"The original Report (of the Colombo Plan), which was published in November, 1950, no longer accurately describes the scheme of things as now existent. The Commonwealth Consultative Committee has become an International Committee in which the United States are taking part, and included in the general scope of the Plan are the extensive measures undertaken by the United States Government in the same area. . . . Thus the Colombo Plan has become an aggregation of various projects for the whole of South and South-east Asia."

(*New York Herald-Tribune*, March 11, 1952.)

5. *Point Four*

What of President Truman's Point Four? Here we enter into the different realm of the expansionist activity of a still powerful imperialism, not yet suffering from the deficiency of resources of British imperialism. But the contrast between the philanthropic prospectus and the actual practice is no less striking here, though in a different context.

Unlike the Colombo Plan, Point Four was not embodied in any concrete programme, figures or target. Its proclamation in President Truman's Inaugural Address of January, 1949, consisted simply of the proclamation of a general principle, in the name of which the United States could intervene economically and financially in any colonial or semi-colonial area in the world. So far as the terms of Point Four went, the United States could spend much, little or nothing; send technical advisers and economic missions; provide credits, loans or grants; offer or withhold subventions at a moment's notice; and all this in any country or countries unnamed, in accordance with the concrete policy of the moment and the State Department's opinion of the government concerned. Thus Point Four represented a remarkably elastic and flexible, but none the less powerful, weapon of penetration into the colonial territories of the European colonial powers, and especially into the British Empire.

So far as any specific figures or finance are concerned, the only concrete figures drawn up in any plan were presented in the Gray Report which was prepared on the instructions of the President to indicate what was required to implement the principle laid down. The Gray Report came to the conclusion that the barest minimum required would be $500 million (£178 million). With this may be contrasted the result of the United Nations Inquiry into the Development of Under-developed Territories, which came to the conclusion that, in order to raise the national income of these countries by as low a rate as 2 per cent. per annum, a minimum annual expenditure of $10,000 million or £3,500 million would be required—twenty times the Gray figure.

The actual money voted in the first stages, however, fell considerably short of the Gray figure. The first allocation in June, 1950, under the "Act for International Development" which was then adopted, was only for $37 million. In accordance with this Act a "Technical Co-operation Administration" was established, and "Treaties of Technical Co-operation" were drawn up with a series of countries (thirty-three by the beginning of 1952).

In 1951 President Truman brought forward the proposal for a special allocation for foreign "military and economic aid" amounting to 8½ billion dollars, of which 6¼ billion should be for military aid, leaving 2¼ billion for economic aid. Of this latter total, $1.65 billion were to go to Europe, leaving $600 million for economic aid to all countries outside Europe. But two-thirds of this latter sum, it was estimated, would be earmarked for "emergency requirements arising from military action" (primarily Korea and Formosa). Hence the grand total left for carrying out the professed Point Four Programme of economic aid to backward areas became, according to the estimate of the *Economist* of June 2, 1951, a maximum of $200 million, or less than half the Gray figure. This would be equivalent to about one three-hundredth part of United States military expenditure in the same year.

Even this figure, however, was further cut down by Congress when the Mutual Security Act was voted in August, 1951, and the Mutual Security Agency established. President Truman's proposed 8½ billion dollars was cut to seven billion; and the amount available for economic aid to all countries outside Europe, including Latin America, was cut from President Truman's proposed $600 million to $418 million. The greater part of this ($237 million) was allocated to "Asia and the Pacific area," including Korea and Formosa. It was obvious from these figures that the amount likely to be available for any "economic aid," as opposed to military aid or strategic requirements masquerading as "economic aid," would be very limited indeed.

In point of fact, even the so-called "economic aid" was openly recognised and regarded as merely a minor sub-section of the military and rearmament programme. As *The Times* commented on the 1952 "Mutual Security Aid" programme:

> "The programme will, as last year, be artificially divided into military and economic; and as in 1951, there will be a tendency on the part of Congress to accept the military part and cut the economic section to ribbons, because nobody understands that what is called economic aid is merely a cheaper form of military assistance."
>
> (*Times*, March 3, 1952.)

"What is called economic aid is merely a cheaper form of military assistance." This pregnant sentence should have been inscribed in

large letters on the walls of the Conference Chamber of the initiators of the Marshall Plan (now deceased and re-born as Military Aid), and should still be kept in large letters before the eyes of all those who love to compose eloquent perorations about "World Plans for Mutual Aid" and "World Plans to Combat Poverty" by the Atlantic Powers.

From this extreme limitation and parsimony of any sums voted for any other than directly military or more or less openly military-economic purposes, it might be easy to draw the inference that Point Four, like the Colombo Plan, was stillborn. And indeed, *The Times* suggested such a conclusion:

> "Military needs have now become the single dominant factor in American economic policy overseas. . . .Point Four, as a general and far-reaching policy, has substantially had to be deferred."
>
> (*Times,* September 17, 1951.)

Nevertheless, it would be a mistake to draw the conclusion that Point Four, like the Colombo Plan, is mainly a paper programme with little concrete substance behind it. This would only be true if Point Four were regarded at face value as a serious programme to assist the development and raise the living standards of colonial peoples—to help them, in President Truman's words, "to produce more food, more clothing, more materials for housing, and more mechanical power to lighten their burdens." In relation to such glowing aims the reality is ludicrous. But these glowing philanthropic aims, it cannot be too often emphasised in dealing with these "plans" of imperialism, are only the advertising prospectus. There is a very real hard kernel of Point Four behind the flapdoodle. This hard kernel is the expansionist policy of United States finance-capital to penetrate the colonial empires of the European colonial powers, and especially the British Empire, in order to establish a stranglehold on the world supply of raw materials.

This is the practical aim which received remarkably frank and lucid expression in the Report of the Advisory Board appointed by President Truman in connection with the Point Four programme, under the direction of Nelson Rockefeller. The Rockefeller Report, entitled *Partners in Progress,* was published in March, 1951. Its central argument emphasised that 73 per cent. of United States military stockpiles and 58 per cent. of all its imports came from under-developed areas, and accordingly warned that "with critical shortages developing rapidly, a quickened and enlarged production" in these countries "is of major importance." This requirement was explicitly related to the American war programme:

> "Strengthening the economies of the under-developed

regions, and an improvement in their living levels, must be considered a vital part of our own defence mobilisation."

Already the Gray Report had stressed the significance of the British Empire in this connection as a field for American economic policy:

> "Not only is the sterling area an indispensable source of raw materials, but the position of Britain as a banker and trading centre of the world's largest currency area makes Britain's trading and currency policies of great importance to to the realisation of United States foreign economic objectives."

The Rockefeller Report examined the conditions for such American economic and financial penetration of the British Empire and other colonial areas. It proposed the establishment of a new government organ, a "United States Overseas Economic Administration" as a "unified agency" to co-ordinate all private and governmental foreign investment and development. It further proposed the establishment of an "International Development Authority" to deal with "public works" requirements, such as port facilities, roads, power stations, etc., which might not be immediately profitable, but would be essential to prepare the ground for the profitable investment of United States private capital. Finally, it proposed that the annual rate of United States foreign investment should be doubled to a level of 2—2½ billion dollars.

It should be noted that, as with the International Bank, these proposed new agencies were to be outside the scope or control of the United Nations. Previously a United Nations Report on "Methods of Financing Economic Development in Under-developed Countries," published in 1949, had recommended the formation of a new international agency to be known as the "United Nations Economic Development Administration" (U.N.E.D.A.) for "financing projects of economic development in under-developed countries which are not financially productive in the banking sense." This new agency, it was recommended in the United Nations Report, was to work "in the spirit of the Charter of the United Nations," and should lay special emphasis on "the development of heavy industries." This United Nations proposal met with immediate and emphatic opposition from the United States and from the International Bank controlled by the United States. The International Bank issued a statement rejecting the "alleged" need for the "so-called U.N.E.D.A.," on the grounds that its "purported" functions were ones "which the Bank has been performing for some time"; and in particular, it warned against policies of industrialisation in colonial countries:

> "Excessive emphasis on industry for industry's sake, above all, heavy industry, may leave an undeveloped country with the

> symbol of development rather than the substance....In general, capital should be applied where it brings the greatest return."

Thus United States policy, as the Rockefeller Report made clear, was directed to establish, in the name of "international development", effective United States economic and financial control of the colonial and semi-colonial areas of the world. Point Four was to be the instrument for this policy.

By January, 1952, three years after the original announcement of the Point Four Programme, President Truman was boasting of its successful achievements. He dwelt at length on the work done by American Technical Missions in India, and continued:

> "This is Point Four—our Point Four programme at work. It is working—not only in India, but in Iran, in Paraguay and Liberia—in thirty-three countries around the globe. Our technical missions are out there. We need more of them. We need more funds to speed their efforts, because there is nothing of greater importance in our foreign policy."
>
> (PRESIDENT TRUMAN, *State of the Union Message*, January 9, 1952.)

This statement throws a significant light on the American conception of Point Four. Three considerations in it may be especially noted.

First, President Truman was concerned to insist that Point Four—"our Point Four Programme"—"is working" i.e. to repudiate the conclusions widely drawn from the very small sums so far spent that the plan existed mainly on paper.

Second, he drew as his first examples of its sphere of operations, countries of the British Empire or within its orbit—India and Iran.

Third, he was concerned to insist that this expansionist offensive of penetration into the colonial and dependent countries of the British Empire and other European empires had now become a main front of American foreign policy—"there is nothing of greater importance in our foreign policy" (language almost exactly recalling the language previously used about the Marshall Plan as at that time a key front of American foreign policy).

It would be a grave mistake to under-estimate the significance of Point Four because of the relatively minute sums so far spent under it. The preliminary limited expenditure and technical missions may be regarded as having been preparation of the ground. The full enlarged American offensive into the countries of the British Empire is still developing and increasing; and Point Four is an essential weapon of the artillery of this offensive.

6. *Increase of Colonial Exploitation*

The survey of the various "development" plans of imperialism in the recent era in relation to the colonial and "under-developed" countries, especially in Asia and Africa (Colonial Development and Welfare, Colonial Development Corporation, Colombo Plan, Point Four), which have been so widely presented as evidence of a "new vision" of imperialism and a basic departure from "the old colonialism", has shown how far removed are these claims from the truth.

This survey has served to show:

> First, that these "development" plans in no respect change the basis of colonial economy, but are in fact adapted to continue, maintain and reinforce the basis of colonial economy of these countries as dependent primary producing countries.
>
> Second, that in practice the sums expended, in contrast to the enormous fanfare of publicity, have been minute and incapable of scratching the surface of colonial poverty and under-development.
>
> Third, that in practice the schemes adopted have been mainly directed to serve the economic and strategic interests of the imperialist powers, and not the needs of the peoples concerned.
>
> Fourth, that the sums expended, even if they had been directed entirely to benefit the colonial peoples, have constituted no more than a tiny fraction of the tribute simultaneously drawn from the colonial peoples, with consequent economic worsening of their situation, so that at the best they would represent no more than the "generous gift" to the victims of a few pence for every pound of plunder drawn from them.

But the full conclusion to be drawn from a survey of the real situation and relations during this period is more than a negative conclusion.

It is not merely the case that the "development" expenditure is heavily outweighed by the many times greater volume of the continuing tribute drawn from colonial exploitation, so that the net balance is negative.

In actual fact, the colonial exploitation has been enormously *intensified*, at a rate of acceleration unequalled in the modern records of imperialism, precisely during this period of so-called "philanthropy," "generosity" and a "new angle of vision."

This intensification can be partially measured, in an available statistical form, by the extremely rapid growth of the colonial sterling balances during these years since 1945, and especially since 1949. These sterling balances represent formally the "indebtedness" of the United Kingdom to the countries concerned. But since, in

the case of the colonies, the United Kingdom is both their ruler and their banker, this increase in "indebtedness' is in effect an expression of forced loans drawn from the impoverished colonial peoples without their consent by their ruler, with no obligations of repayment save under such conditions and at such times and in such amounts as the ruler may determine. The main original nucleus of these inflated sterling balances (apart from the "normal" amount previously held for banking and currency transactions) was accumulated during the war, when goods were drawn from the colonies for war purposes without current payment. But the increase *since* the war has been greater than *during* the war; so that the "war costs" explanation usually offered is here invalid. This post-war increase in the colonial sterling balances represents a further volume of goods drawn from the colonial countries, and used in practice to meet Britain's dollar deficit, without any current payment to the colonial peoples other than a depreciating and irredeemable paper credit in London. It is not a measure of the *total* tribute of colonial exploitation; since the payment of interest and dividends to Britain from the operations of British-owned companies in the colonial countries is regarded as a "normal" payment for "services," and does not increase the balances owing. The increase in the colonial sterling balances is a measure of the increase in the *special intensified* exploitation of the colonial peoples during these recent years, additional to the "normal" flow of colonial tribute.

The expansion of the colonial sterling balances during the years since the second world war is shown in the following table:

Table 28

STERLING BALANCES, 1945-51

(£ million)

United Kingdom sterling liabilities to:	End of years 1945-51 1945*	1946	1947†	1948	1949	1950	1951	Increase 1945-51 + or — Total	p.c.
STERLING AREA									
Dependent overseas territories	446	495	510	556	583	754	964	+ 518	+ 116
Other Sterling areas . . .	2,007	1,922	1,787	1,809	1,770	1,978	1,825	—182	— 9
NON-STERLING AREA . . .	1,210	1,284	1,306	1,055	1,064	1,011	1,018	—192	— 16
Total	3,663	3,701	3,603	3,420	3,417	3,743	3,807		

* Figures for 1945-46 from **U.K. Balance of Payments**, 1946-50 (1951), Cmd 8,065.

† Figures for 1947-51 from **U.K. Balance of Payments**, 1948-51 (1952), Cmd. 8,505.

It will be seen from this table that the sterling balances owing to the colonial countries increased from £446 million to £964 million

or more than doubled during the six years since the war. By June, 1952, the total had increased to £1,042 million.

This rate of increase in the colonial sterling balances is in startling contrast to the policy pursued in relation to the sterling balances owing to the other countries of the sterling area or the countries outside the sterling area. Between the end of 1945 and the end of 1951 the sterling balances of the colonial countries alone were increased while all the other sterling balances were reduced, as were also the sterling balances owing to countries outside the sterling area. During the six years the sterling balances of the colonial countries increased by 116 per cent., while those of the other sterling countries were reduced by 9 per cent., and those of the non-sterling countries were reduced by 16 per cent.

This contrast demonstrates that what is here revealed is not a *general* increase of sterling balances owing to circumstances outside the control of the United Kingdom, but a special and discriminatory use of the United Kingdom's absolute economic and political power over the subject colonial countries in order to extract additional economic advantage from them at the expense of their peoples in a way which it was not able to do in relation to the other countries inside or outside the sterling area. In other words, it represents a special form of intensified colonial exploitation.

A concrete example of the character of the process may be illustrated from Nigeria. To a certain extent the exploitation of the Nigerian people is visible from the export and import balance. Over the past half century Nigeria's exports have consistently exceeded imports: during the first 15 years of the century, up to the outbreak of the first world war, this excess of goods extracted without an equivalent in imported goods went on at the rate of £100,000 per year. In the next 15 years, up to the eve of the great crisis, this rate had risen to £1.3 million and, in the following 15 years to the end of the second world war to £3.3 million annually. In the post-war years it has taken this spectacular jump upwards:

Table 29

NIGERIAN EXPORT SURPLUS, 1945-51

1945 . . .	£4.474 million
1946 . . .	£4.133 "
1947 . . .	£11.855 "
1948 . . .	£21.091 "
1949 . . .	£23.704 "
1950 . . .	£26.694 "
1951 . . .	£44.000 "
1945-51: . . .	£136 million

This total of £136 million during the seven years 1945-51 is almost double the total of £71.3 million for the forty-five years 1900-1944. It is worth noting that this total of the exports surplus during seven years is two and a half times the sum to be spent under the much vaunted Ten-Year Development Plan, and nearly seven times the contribution to that plan voted by the "British taxpayer."

The people of Nigeria are thus year after year in ever-increasing measure robbed of the fruits of their labour. The way in which this is done is instructive. Of course, money is paid for the excess exports; but it is in its entirety extracted again by the following agencies: (a) the British Government in Nigeria; (b) the monopoly companies operating in Nigeria; (c) the employees of both, in the shape of remittances home, pensions, etc. The details have been worked out for the twelve pre-war years 1927 to 1938 (*Mining, Commerce and Finance in Nigeria*, Ed. M. Perham, 1948, p. 217) as follows: The export surplus for these twelve years amounted to £33.9 m; transfer of money abroad (after deduction of all capital investments in Nigeria) by Government to funds in Britain, £13.2 m; on behalf of employees, £4.9 m; by individuals, £7.3 m; by private companies, £7.5 m; total, £33.9 million. With the enormous expansion of trade after the war, and in the absence of any very great increase of the activities of private companies in Nigeria except in so far as profits from this trade are concerned, the British Government has taken an ever-increasing share in this extraction. Under the pretext of "anti-inflationary" and "price stabilisation" measures, in reality in order to curb the accumulation of capital in the hands of the Nigerian bourgeoisie, it forcibly withheld part of the price paid to Nigerian producers for their exports and created huge funds ostensibly administered by the various marketing boards set up during the war (for cocoa, palm produce, groundnuts and cotton). These funds now form the bulk of the sterling balances of Nigeria as they do for the Gold Coast, Uganda and other colonies. Certain allocations are to be made from these funds for research and similar purposes allegedly to benefit the respective industries; but it is unlikely that in the foreseeable future these allocations will amount to a larger fraction of the total than in the case of the Ten-Year "Plan." The bulk of the funds, which have been growing from year to year, have been and are still held indefinitely in Britain simply by virtue of the political power wielded by Britain over this porfitable colony.

The growth of the colonial sterling balances for the colonial empire as a whole during the years 1946-51 by £518 million, representing goods withdrawn from the colonial empire without current return of goods, contrasts with the total expenditure of Colonial Development and Welfare funds for the whole colonial empire during the same period of £41 million. Thus the much publicised "gifts" during this period amounted to less than one-

twelfth of the actual spoliation conducted through the operation of the machinery of accumulating sterling balances in London. These harsh figures throw a different light on the self-vaunted "philanthropy" of colonial "development."

This rapid expansion of the colonial sterling balances during 1946-51 is a reflection of the *intensified* colonial exploitation which was the real policy of the Labour Government towards the colonies under cover of a smokescreen of unctuous self-praise and "benevolence." It was this glaring contrast between professions and reality which led the subsequent Conservative Colonial Minister, Oliver Lyttelton, to retort in an electoral speech on October 11, 1951:

> "The Government claims that the dependent territories were exploited in the past, but are not being exploited now. But in fact, the Socialist Government seems to be the first Government which has discovered how to exploit the colonies."

In this admitted policy of colonial "exploitation," however, there was in fact no difference between Tory and Labour imperialism.

Similarly, the *Financial Times*, in an article by Professor W. A. Lewis on "The Colonies and Sterling," published on January 16, 1952, admitted that the accumulation of colonial sterling balances had in effect made "the British colonial system" serve as "a major means of economic exploitation":

> "Many Colonies must sell their produce to Britain at prices below the world price, and, through exchange control, must buy from Britain at prices above the world price, or pay an ever-increasing sum into the Bank of England, because Britain will not deliver goods in return for what she receives.
>
> "Britain talks of colonial development, but on the contrary, it is African and Malayan peasants who are putting capital into Britain....The British colonial system has become a major means of economic exploitation....
>
> "The Colonies are exporting far more than they import, and are building up large balances. They cannot get all the imports they need, especially of capital goods, and their development programmes are in consequence retarded. They are in effect paying Britain for goods which she does not deliver....
>
> "If the Colonies were directly represented at the present talks, and free to say their say, they would be directing their searchlight upon those British policies which prevent them from getting an adequate supply of manufactures from Britain. Unfortunately, the Colonies are not allowed to speak for themselves, or to work exchange control according to their own rules. So doubtless the sterling balances of the Colonial Empire will continue to rise throughout this year and the next."

This access of frankness of recent Conservative expression to admit the growing "exploitation" of the colonies through the accumulation of colonial sterling balances (paralleled in Premier Churchill's broadcast at the end of 1951, "We must not plunge into further indebtedness to the Colonial Empire") does not reflect a sudden solicitude for the sufferings of the colonial peoples or conversion to anti-colonial principles. It was, on the contrary, a warning signal that the economic offensive of imperialism, which had been directed especially against the colonial workers and peasants during the preceding years, would, as a result of the failure to achieve a balance, be turned with increasing concentration also against the British workers. Nevertheless, the admissions were worthy of note.

The intensified exploitation of the colonial peoples was the main pivot of the policy of British imperialism, operated by the Labour Government, during the years succeeding the war to endeavour to meet the deepening crisis, dollar deficit and deficit on the balance of payments. This was the reality behind all the talk of "development" and a "new angle of vision." It was from the subject colonial empire that the dollar surpluses were extracted and drawn to London to meet the United Kingdom's dollar deficit. On this basis was proclaimed the "triumphant" "socialist" "solution" of the problem of the balance of payments and achievement of a dollar surplus of "the sterling area as a whole" by 1950. The deceptive and bankrupt character of this "solution" was soon shown in the following year.

The nemesis of this policy of intensified colonial exploitation has made itself felt in extending colonial wars, as the struggle of the colonial peoples rises against their oppression and worsening conditions; in the paralysing burden of colossal rearmament and inflated overseas military commitments; in deepening subjection to United States imperialism; and in the drive towards a new world war.

CHAPTER XI

EMPIRE AND WAR

> "These fleets and this military armament are not maintained exclusively or even mainly for the benefit of the United Kingdom or even of the defence of home interests. They are still maintained by a necessity of Empire....
>
> "If you will for a moment consider the history of this country during, say, the present century, or, I would say, during the present reign, you will find that every war, great or small, in which we have been engaged, has had at bottom a colonial interest, that is to say, either of a colony or else of a great dependency like India. This is absolutely true and is likely to be true to the end of the chapter."
>
> JOSEPH CHAMBERLAIN, Confidential Report of a Conference at the Colonial Office in June and July, 1897 (short report in Cmd. 8,956 of 1897), quoted in J. L. Garvin, *Life of Joseph Chamberlain,* Vol. III, pp. 187-8.

The price of empire is extending war. This has been demonstrated in our day and generation with terrible force. Colonial wars and wars of rival empires have developed to world wars on a scale never before known. Indeed, it can be said with truth that world wars are an invention of the imperialist era. Armaments have continuously risen at an accelerating rate throughout the imperialist era. The burden of armaments and the menace of a third world war hang over the world to-day.

On all sides the burden of armaments and the menace of a new world war is deplored. It is recognised that the crushing rearmament programmes are strangling economic development. It is recognised that a new atomic war would mean incalculable destruction. The universal desire for peace is expressed or given lip-service in the declarations of all statesmen.

But it is not enough to desire peace. The experience of the events leading up to 1914 and 1939 has demonstrated that the elementary desire of the overwhelming majority of the peoples in

all countries for peace is not alone enough to ensure peace. It is necessary to understand why, despite the desire for peace, the drive to war goes forward, and to recognise what social forces and policies are leading to war, in order to unite the peoples for a positive alternative policy capable of maintaining peace.

This choice of war or peace is beyond dispute the most important question to-day dominating the whole tangle of problems arising from empire policies and from the conflict of the old imperialist world with the rising advance of the peoples for liberation.

No country is more vitally concerned in this question of war or peace than Britain—the centre of the oldest and most far-flung world empire, with military commitments extending over the globe, with an experience of countless colonial wars and ruinous imperialist wars, and now faced with the threat of becoming the main atomic base for a third world war.

1. *Record of Empire and War*

The record of imperialism is a record of more or less continual war. This is equally true of the earlier stages before the development of the era of finance-capital or modern imperialism, and applies with all the greater force to the modern era.

Over four and a half centuries this record can be traced of the British Empire as a child of wars and a breeding ground for war.

Even if we leave out of account the armed invasion and conquest of Ireland from the twelfth century onwards—which was in fact the beginning and prototype of the British colonial system—and confine our attention to the record of extra-European colonial conquest and domination, and the wars arising therefrom, this record goes back to the end of the fifteenth century.

It was as far back as 1496 that Henry VII authorised John Cabot to "subdue, occupy and possess" all foreign lands not yet blessed by "Christianity." From this date armed mercantilism and foreign conquest became the approved methods of the expansionist aims of the ruling class.

During this period of early colonial expansion, plunder, the slave trade and primitive accumulation, the British rulers and their European rivals were responsible for a terrible orgy of looting and murder that raged from Greenland to Cape Magellan, from the Azores to the Far East, from the North American continent to the South Seas. This was the period of which Marx wrote:

> "The treasures captured outside Europe by undisguised looting, enslavement and murder, floated back to the mother-country and were there turned into capital."
>
> (MARX, *Capital*, Vol. I, ch. xxxi.)

Marx quotes a vivid description of "the Christian colonial system":

> "The barbarities and desperate outrages of the so-called Christian race, throughout every region of the world, and upon every people they have been able to subdue, are not to be paralleled by those of any other race, however fierce, however untaught, and however reckless of mercy and shame, in any age of the earth."
>
> (WILLIAM HOWITT, *Colonisation and Christianity: A Popular History of the Treatment of the Natives by the Europeans in all Their Colonies*, 1838.)

The use of unlimited barbarous methods, illustrated recently in Malaya and Korea, dates back to this period.

> "The treatment of the aborigines was, naturally, most frightful in plantation-colonies destined for export trade only, such as the West Indies, and in rich and well-populated countries, such as Mexico and India, that were given over to plunder. But even in the colonies properly so-called, the Christian character of primitive accumulation did not belie itself. Those sober virtuosi of Protestantism, the Puritans of New England, in 1703, by decrees of their assembly set a premium of £40 on every Indian scalp and every captured red-skin: in 1720 a premium of £100 on every scalp; in 1744, after Massachusetts-Bay had proclaimed a certain tribe as rebels, the following prices: for a male scalp of 12 years and upwards £100 (new currency), for a male prisoner £105, for women and children prisoners £50, for scalps of women and children £50. Some decades later, the colonial system took its revenge on the descendants of the pious pilgrim fathers, who had grown seditious in the meantime. At English instigation and for English pay they were tomahawked by redskins. The British Parliament proclaimed blood-hounds and scalping as 'means that God and Nature had given into its hand.'"
>
> (MARX, *Capital*, Vol. I, ch. xxxi.)

The savage wars of conquest, plunder or extermination against the colonial peoples were accompanied by prolonged and increasingly violent wars over the division of the spoils between the rival European colonial powers. Through these successive wars, against the Spanish and Portuguese Empires in the sixteenth century, against the Dutch in the seventeenth century, and against the French in the eighteenth century, the British Empire emerged victorious. Of these "commercial wars" Marx wrote, after describing the "idyllic" characteristics of "the rosy dawn of the era of capitalist production":

> "On their heels treads the commercial war of the European

> nations, with the globe for a theatre. It begins with the revolt of the Netherlands from Spain, assumes giant dimensions in England's anti-jacobin war, and is still going on in the opium wars against China, etc."
>
> (MARX, *Capital,* Vol. I, ch. xxxi.)

A century later it "is still going on"—but the final culmination and close is drawing into view.

It was of these inter-European wars for world colonial domination that Macaulay (that "systematic falsifier of history," as Marx dubbed him) wrote with characteristic blindness his famous aphorism:

> "In order that he might rob a neighbour whom he had promised to defend, black men fought on the coast of Coromandel and red men scalped each other by the great lakes of North America."
>
> (MACAULAY, *Frederick the Great,* 1842.)

Macaulay reversed the real relation. The global character of these European wars was no mere extension of European dynastic conflicts to a remote periphery. It was the conflict over world colonial domination that was the driving force of these inter-European wars and has so continued to our day.

It has been calculated that the record of Britain's unending wars throughout this era of capitalist and colonial expansion shows: during the sixteenth century, thirty-four armed conflicts with the peoples in the conquered territories, several clashes with Portuguese and Spanish rivals, and a nineteen-years war with rival Spain; during the seventeenth century, twenty-nine wars with local peoples and rival colonial powers, including two major wars with the Dutch; during the eighteenth century, 119 conflicts for empire; and if we add the forty-six wars of the nineteenth century, a total of 230 wars in 400 years.

Nor did the nineteenth century of Britain's established world industrial monopoly and naval supremacy, of liberal free trade and enlightened pacific sentiments of the *Pax Britannica,* mean in reality an abatement of this record of successive wars. The years of "liberal pacifism" between Waterloo and the bombardment of Alexandria in 1882, which opened the modern period of imperialist expansion, saw a long series of colonial wars and military actions in addition to the Crimean War of 1854-6. Some of these may be cited as a pendant to the myth of the nineteenth-century *Pax Britannica:*

1824	Ashanti War
1824-6	First Burmese War
1837	Suppression of Canadian Rebellion
1838-41	First Afghan War
1839	Annexation of Aden

1839-42	First Opium War
1840	Bombardment of Acre
1843	Conquest of Sindh
1845-6	First Sikh War
1848-9	Second Sikh War
1850-3	Kaffir War
1852	Second Burmese War
1854-6	Crimean War
1857	Suppression of Indian Rebellion
1857-60	Second Opium War
1874	Second Ashanti War
1878	Second Afghan War
1879	Zulu War
1879	Third Afghan War
1881	Boer War—Majuba Hill
1882	Bombardment of Alexandria

With Gladstone's bombardment of Alexandria in 1882 the guns thundered forth the opening of the new era of intensified imperialist expansion, after Britain's industrial world monopoly had begun to weaken. The advancing power of finance-capital, growing out of and succeeding to the domination of the old industrial capitalists, became the main driving force to new colonial aggression, armaments multiplication and wars. These wars were carried forward, first to complete the partition of the world, and then in the twentieth century enlarged their scope to world wars of the imperialist powers, of a magnitude and intensity never before known, for the redivision of the world.

The transition from the nineteenth century liberal free-trade capitalism, with its undercurrent of ceaseless colonial wars tactfully tucked away under a rose-coloured eiderdown of pacific sentiments, to the brazen aggressive and bellicose policies of modern imperialism found expression in the career of the Liberal Party leader, Gladstone. Gladstone had entered on his second Ministry in 1880 on the basis of a resounding popular anti-Tory electoral victory against the Tory imperialism of Disraeli. No sooner had he taken office, than he continued and carried forward to new heights the same imperialist foreign policy, with ruthless coercion in Ireland, and with violent military aggression for the conquest of Egypt and the Sudan. The guns which bombarded Alexandria shattered also the illusions of many Radical admirers of Gladstone, and hastened the conditions for the development of the Social Democratic Federation in 1883—the first socialist organisation in Britain, which subsequently merged into the Communist Party. It was with reference to this war of Gladstone in Egypt and the Sudan that William Morris (then in the process of transition from radicalism to socialism) wrote:

"It is this profit motive which curses all modern society

and prevents any noble enterprise, while it compels us (even the peaceable Gladstone) to market-wars which bring forth 'murders great and grim.'"

(WILLIAM MORRIS, letter to William Allingham, November 26, 1884.)

The disillusionment of the Radicals received mordant expression from their famous parliamentary representative, Labouchere, when he upbraided Gladstone in parliament on February 27, 1885, for his retreat from his earlier anti-imperialist professions:

> "If anyone had then said, 'You will acquire power and and become the most powerful Minister England has had for many a long day; you will bombard Alexandria; you will massacre Egyptians at Tel-el-Kebir and Suakim; and you will go on a sort of wild-cat expedition into the wilds of Ethiopia in order to put down a prophet,' the Right Honourable Gentleman would have replied in the words of Hazael to the King of Syria: "Is thy servant a dog that he should do this thing?'"

To-day this has become an old and familiar story, blunted by repetition. The experience has been demonstrated anew through the Liberal Government of the first decade of the twentieth century, and through three Labour Governments. From Gladstone, Harcourt and Morley to Lloyd George, Haldane and Grey, and thereafter to MacDonald and Attlee, Bevin and Morrison, the earlier professions of criticism of imperialist policy and its wars have been followed by the practice of imperialism, with its outcome in murderous colonial aggression, rising armaments and extending wars. Not the character of individual statesmen, but the operation of the imperialist system breeds war.

Gladstone finally resigned in 1894 in protest against the rising naval armaments, and was succeeded by the open Liberal Imperialist (the new term which now came into use), Roseberry. His resignation made no difference to the advance of imperialist war policy. Twenty years of Tory imperialist rule followed, with the costly South African War opening the new century. When the anger of the electorate swept the Tories from power in 1906, the Liberal Imperialist Government which followed took over and carried forward from the Tory Foreign Secretary, Lansdowne, the Entente foreign policy of building the Anglo-French-Tsarist alliance in preparation for the first imperialist world war of 1914.

The twentieth-century era of modern imperialism has seen the devastation of two world wars on a scale without parallel in history. The extension in magnitude took on the character of a change in quality; they were what became known as "total wars," drawing in the majority of countries and striking down armed forces and civilian populations.

The first world war is estimated to have cost 29 million dead and crippled, and £35,000 million.

The second world war is estimated to have cost 41 million killed (27.9 million military casualties, and 13.2 million civilian) and £223,000 million.[1]

What would a third world war cost?

2. *Rising Burden of Armaments*

A barometer of the continuous advance of war and militarism as the accompaniment of modern imperialism has been the steeply rising multiplication of armaments and arms expenditure during the past century, and especially during the era of fully developed modern imperialism since the beginning of the twentieth century. This increase has gone forward at an accelerating pace.

When Gladstone resigned in 1894 in protest against the increase in the naval estimates to what he regarded as ruinous proportions, the total British arms expenditure was under £40 million. To-day it is more like forty times that amount.

British arms expenditure rose from £24 million in 1875 to £40 million in 1897, or nearly double.

Already in 1879 the Liberal statesman, Sir M. E. Grant Duff, in his letter to the Empress Frederick on his interview with Marx, quoted the new armaments race as in his view the main revolutionary menace to the stability of the existing social regime:

> "But supposing, I said, the rulers of Europe came to an understanding amongst themselves for a reduction of armaments which might greatly relieve the burden on the people, what would become of the Revolution which you expect it one day to bring about?
>
> "Ah, was his answer, they can't do that. All sorts of fears and jealousies will make that impossible. The burden will grow worse and worse as science advances; for the improvements in the art of destruction will keep pace with the advance, and every year more and more will have to be devoted to costly engines of war. It is a vicious circle—there is no escape from it."

1 These figures, based on material of the Institute of Bankers, the London School of Economics and the **Bankers' Almanac**, are taken from **This War Business**, by A. Enock, Bodley Head, London, 1951. The same writer estimates that between 1900 and 1946 twenty-four countries of Europe, Asia and America spent £ 321,316 million on war measures, and £ 313,759 million on all other purposes, and that in the same period their national debts multiplied forty-two times, from £ 4,003 million to £ 171,240 million. The publication of the Carnegie Endowment for International Peace, **Losses of Life Caused by War**, by Samuel Dumas and K. O. Vedel-Petersen (1923), estimates the "total number of military forces killed and died" in the War of 1914-18 as "somewhere between ten and eleven millions." This refers to military casualties only.

The Victorian Liberal Minister drew the conclusion that the revolutionary predictions of Marxism were—

> "too dreamy to be dangerous, except just in so far as the situation with its mad expenditure on armaments is obviously and undoubtedly dangerous. If, however, within the next decade the rulers of Europe have not found means of dealing with this evil without any warning from attempted revolution, I for one, shall despair of the future of humanity at least on this Continent."
>
> (SIR M. E. GRANT DUFF's letter to the Empress Frederick, February 1, 1879, published in the *Times Literary Supplement*, July 15, 1949.)

But the arms expenditure, which horrified the Liberal Minister of the Victorian era would appear "trifling" by modern standards. The armaments race went on. The total which had been nearly doubled during the twenty-two years between 1875 and 1897, more than doubled again during the next sixteen years to reach £86 million in 1913. By 1929 it reached £115 million. By 1938 it had doubled again and reached £263 million. Even this figure was trebled again by 1949, with an arms expenditure of £744 million, increased to £830 million in 1950.

Then in 1951 came the new three-year rearmament programme of £4,700 million, with a consequent steep further rise in the total arms expenditure to £1,131 million in 1951, and an estimate for £1,462 million for 1952-3.

The estimate of £1,462 million for arms expenditure in 1952 (of which £85 million was to be covered by United States military subsidies) included only direct expenditure on the armed forces and munitions. If to this is added £61 million provided for strategic reserves, £46 million for civil defence and £65 million for expansion of industrial capacity for military needs, the real total of war expenditure for 1952 becomes £1,634 million.[1]

This total of £1,634 million for war expenditure in 1952 is equivalent to 38.5 per cent. of the total Budget expenditure, con-

1 Even this total leaves out of account the extent of **concealed** rearmament expenditure smuggled through under other votes—a process at which the experts of British State finance have always been adept. For example, the Post Office vote of £ 75 million for "capital expenditure on telephones, telegraphs and postal services" in 1952 included £ 25 million which, it was finally admitted under pressure, really belonged to the rearmament programme. The following instructive interchange took place in the House of Commons on June 13, 1952:

"**Mr. C. R. Hobson** (Labour) moved an amendment to reduce from £ 75 million to £ 50 million the capital expenditure on telephones, telegraphs and postal services. It had been put down because the Opposition felt far too much of this capital expenditure could be rightly attributed to defence votes. A third of it was for defence purposes.

"**Mr. L. D. Gammans** (Assistant Postmaster-General): There is certain information which is in the hands of Ministers, especially at the time of national danger and rearmament, which they do not and should not pass on to anybody.... I am revealing that £ 25,000,000 is being devoted to defence

trasting with 32.1 per cent. for the social services. If to this 38.5 per cent. for present and future wars is added the £575 million debt charges (almost entirely representing the burden from past wars), equivalent to 13.6 per cent. of the Budget, the total expenditure for past, present and future wars in 1952 reached £2,209 million, or 52.1 per cent. of the budget. With this may be contrasted the Soviet Union budget for 1952 which allocated 23.8 per cent. for arms expenditure, 27 per cent. for social and cultural services and 38 per cent. for the development of civil economy.

It is not difficult to find in this colossal rearmament expenditure in Britain the reason for the ruthless cuts in social services and living standards and the heavy burden of rising prices. Already for 1951 the United Nations European Economic Commission Survey reported that Britain was carrying, in proportion to population, the heaviest rearmament burden in the world, equivalent to eighty-two man-years per thousand workers, as against seventy-four in the United States and forty-nine in the Soviet Union. This was before the further heavy increase of 1952.

The unprecedented peacetime arms expenditure of £1,634 million in 1952 was equal to sixty-eight times the level in money figures at the opening of the era of colonial expansion in 1875; forty times the level on the eve of the Boer War; nineteen times the level on the eve of the first world war; fourteen times the level on the eve of the world economic crisis; and more than six times the level on the eve of the second world war. Such has been the accelerating expansion of arms expenditure in the imperialist era.

3. *The Drive to War To-day*

The drive of imperialism to war has not diminished in our day. The frenzied increase in the scale of rearmament is a measure of the active preparations for a new world war.

Since the second world war international tension has become increasingly acute. Within a few years of the close of the last world war the menace of a new world war is seen by all.

The wartime agreements drawn up between the leaders of the victorious anti-fascist coalition during the last war provided for

purposes. Mr. Edwards (the former Postmaster-General in the Labour Government) spent between £ 9,000,000 and £ 10,000,000 and never revealed it to anybody.

"**Mr. Edwards:** I did.

"**Mr. Gammans** retorted that he could not find any public reference to the fact.

"**Mr. Edwards** maintained that in that case the expenditure had been justifiable on Post Office grounds.

"**Mr. Gammans:** The difference between us is that you are accusing me of distortion of the accounts. If I were not prohibited for security reasons, I could prove that some of the purposes for which Mr. Ness Edwards rightly spent that money were purposes which could be of very small civilian use, if of civilian use at all." (**Manchester Guardian**, June 14, 1952.)

the maintenance of peace through the United Nations by placing the sole powers of decision on questions of war or peace or necessary collective action for the maintenance of peace in the hands of the Security Council, and by requiring that decisions of the Security Council for this purpose must have the unanimity of the five principal Powers: Britain, the United States, the Soviet Union, France and China. This principle of unanimity was devised by President Roosevelt to make impossible, so long as it was adhered to, any war between the Great Powers, and therefore to make impossible a new world war.

The United Nations Charter further explicitly prohibited any sectional military alliance of a group of powers except for defence against renewed aggression by Germany or Japan or by a coalition of states including Germany or Japan.

The wartime agreements further provided for the establishment of a united democratic peaceful Germany and a democratic peaceful Japan, with the destruction of the roots of fascism and militarism.

None of these wartime agreements have been carried out.

Instead, the Western Powers have set up a new sectional military alliance entitled the "North Atlantic Treaty Organisation" with its own supreme command, military forces and powers of decision for war or peace.

A coach and horses have been driven through the provisions of the United Nations Charter by rushing illegal sectional "decisions" for war through the Security Council in violation of the principle of unanimity, by excluding China from representation, by transferring the powers and functions of the Security Council to the Assembly, and by thus making the United Nations machinery (on the basis of a voting system which ensures a more or less automatic majority for the Western warmaking powers, although representing a minority of the world's population and often a minority of the membership of the United Nations) a subordinate instrument of the Western warmaking powers, and especially of American imperialism.

The Atlantic War Alliance was formally established in 1949. Preliminary steps were the promulgation of the Truman Doctrine in the spring of 1947, proclaiming the right of intervention of the United States in the affairs of other states to maintain anti-Soviet governments; the Marshall Plan in the summer of 1947 to organise United States economic-political intervention in Western Europe as a preliminary to its military organisation under United States control; and the Brussels Military Pact of the five Western European powers, Britain, France and Benelux, in 1948.

The Atlantic War Alliance comprised in 1952 fourteen states: the United States, Canada, Britain, France, Italy, Belgium, Holland, Luxemburg, Denmark, Norway, Iceland, Portugal, Greece and Turkey. The inclusion of the latter two states is a sufficient indication

that the geographical title "Atlantic" is to be taken in an elastic sense and is by no means a guide to its real content.

Provision was also made for the association of a rearmed Western Germany with the Atlantic War Alliance through the so-called "European Defence Community," and of a rearmed Japan through the bilateral pact of the United States and Japan. Bilateral arrangements were also made between the United States and the last Axis fascist power, Franco Spain, for the development of American military bases in Spain. Thus the remnants of fascism from Western Germany, Japan, Italy and Franco Spain were gathered into the new Atlantic War Alliance, which took over from the previous Axis of Germany, Italy and Japan the mission of the crusade against the Soviet Union this time under the leadership of the United States.

This Western Bloc or Atlantic Pact military alliance has been described by its sponsors as—

(1) "democratic"—a union of democratic peoples for the defence of democracy;
(2) "defensive"—a military alliance of powers concerned for defence only, not for aggression;
(3) "pacific"—a military alliance of peace-loving countries for the maintenance of peace, in view of the failure of the United Nations.

An examination of the facts will show that none of these claims is correct.

The Western Bloc or Atlantic Pact military alliance is in reality the Bloc of Imperialism. Behind all the phrases of "Western spiritual values," "Christian civilisation," etc., the reality is—Imperialism. The signatory States of the Atlantic Pact constitute a combination of *the great colony-owning powers* and their immediate satellites. Their metropolitan areas have a total population of less than one-seventh of the world's population, yet they control directly or indirectly two-thirds of the world's population.

The main wars in the world to-day since the signing of the Atlantic Pact have been conducted by the Atlantic Pact powers. Britain has conducted war in Malaya, and through a British Military Mission controlled, armed and financed the war against the liberation movement in Burma, as well as carrying through violent military operations in Egypt. France has conducted war in Vietnam. Holland has conducted war in Indonesia. The United States has conducted war in the Far East, originally through the maintenance with arms and subsidies of the war of Chiang Kai-shek against the Chinese Liberation Army, and subsequently, after the final failure of that intervention in 1949, through the direct invasion of Korea with United States troops and contingents from the other imperialist powers, and the seizure of Formosa as a base for counter-revolution

and for the publicly avowed aim of the invasion of China. Similarly, it was British and American troops, military missions, arms and subsidies which by war installed the former Hitler satellites against Greek democracy and now uphold the barbarous fascist regime in Greece.

All these are typical wars of imperialist aggression: wars of invasion of other people's countries by expeditionary forces; wars against national liberation and democracy, or colonial wars.

The patriotic wars conducted, in the face of heavy odds, and with unsurpassed heroism and sacrifice, by the Vietnam people, the Malayan people, or the Korean people and Chinese volunteers, are wars of national defence against the foreign invading armies of the Western imperialist powers. This plea of defence does not apply to the wars of the Atlantic powers, of British, French, Dutch and American imperialism.

When Britain, France and Holland send troops, guns, tanks and bombing planes thousands of miles across the seas to spread slaughter and destruction in the countries of other peoples, this is not defence but aggression. They are not wars for democracy, but for the maintenance of colonial domination, whether in the form of direct colonial dictatorship, as in Malaya, or under cover of a puppet Emperor, like Bao Dai in Vietnam, or a universally hated anti-popular dictator like Chiang Kai-shek in China or Syngman Rhee in Korea, against the popular struggle for national liberation and democracy. Imperialism and democracy are mutually exclusive. The colonial system of imperialism is a system of aggression and military subjection of other nations.

The example of the Malayan War conducted by the British Government since 1948 is the clearest demonstration of this truth. There was no pretence that the inhabitants of Malaya were preparing to enter into their canoes and paddle across thousands of miles of intervening ocean in order to invade Britain and burn down British homes. But British troops, guns, tanks, Spitfires and Beaufighters (constructed by British workers for war against fascism), not to mention Gurkha mercenaries and Dyak head-hunters, were shipped to Malaya to raze Malayan villages.

Hence the Atlantic Military Alliance must be judged, not a "defensive" alliance, as is claimed, but an aggressive alliance of imperialist powers.

Nor is there any concealment of the final aim of the aggression. As with the Axis Anti-Comintern Pact which preceded it, so with the Atlantic War Alliance the final objective is openly proclaimed, both in the propaganda and in the military and strategic preparations, to be directed against the Soviet Union and Communism.

It is urged in justification that the open military preparations for war against the Soviet Union, and establishment of offensive

bases around its borders with many boasts of their effective striking power against all industrial centres in the Soviet Union, are rendered necessary by the alleged "menace" of possible future "Soviet aggression" or by the size of Soviet armaments.

These arguments were also used by the sponsors of the Anti-Comintern Pact of Hitler, Mussolini and Japan to cover their aggressive aims and distract attention from their extending regional wars of aggression. Just as these arguments and allegations had no justification in the facts then, they have equally no justification in the facts to-day.

In contrast to the imperialist powers, the Soviet Union has engaged in no war since the conclusion of hostilities at the end of the second world war. It is the Atlantic powers which have conducted ceaseless wars in many parts of the world and invaded many countries with their armies. The Soviet Union has maintained no armed forces outside its boundaries save in fulfilment of wartime agreements reached with the allies. The United States, Britain and other Atlantic powers have established offensive military, naval and air bases all over the world. Soviet armed forces in 1951 were down to the prewar level and were half the size of the armed forces of the United States, Britain and France (Soviet Note of February 24, 1951). The proportion of Soviet arms expenditure in the total Budget was reduced from the prewar level of 33 per cent. to under 24 per cent. in 1952. British arms expenditure for 1952 was four times the prewar level and equivalent to 38 per cent. of the Budget; United States arms expenditure for 1952 (including foreign military aid) was sixty-five times the prewar level, and 77 per cent. of the Budget. The total arms expenditure of the Atlantic powers was nearly trebled between 1950 and 1951, from a total of £7,500 million to £20,000 million (statement of Charles Spofford, Chairman of the North Atlantic Council of Deputies on April 4, 1951). There has already been occasion to note the United Nations European Economic Commission official estimate of arms expenditure in 1951, in terms of man-years per thousand of the population, as eighty-two for Britain, seventy-four for the United States and forty-nine for the Soviet Union. The Soviet Union has, further, repeatedly proposed the all-round reduction of armaments; all these proposals have been rejected by the Western powers.

The allegations of the "menace" of Soviet armaments or Soviet "aggression" are thus exactly contrary to the real facts. What lies behind these allegations—which in general are presented as bare assertions without evidence and without any attempt to examine the available evidence—is the curious political method of argument which treats every advance of the working class, popular liberation or colonial revolt anywhere in the world as a "Communist plot" and therefore as "Soviet aggression," even though not a single Soviet soldier has stirred or been in the country in question. By

this line of argument the Paris Commune, the French Revolution and even the American Revolution could equally be proved retrospectively to have been a "Soviet plot." The victory of the working-class and parliamentary majority in Czechoslovakia in 1948 against the attempted right-wing coup is treated by the sponsors of the Atlantic Alliance as a glaring example of "Soviet aggression" even though not a single Soviet soldier was in the country; while the violent assault with foreign warships, tanks and bombing planes on liberated Greece in order to crush the liberation movement (which, according to *The Times*, had the support of 90 per cent. of the population) and instal the monarchist fascist regime is presented as the "defence of democracy." Such are the miserable subterfuges to which the sponsors of the Atlantic War Alliance are reduced in their endeavour to justify its aggressive policy.

The aim of an aggressive world war of the Atlantic Alliance has received its most direct expression from the many influential advocates, often in highly placed official quarters, of a "preventive war"—the diplomatic term for an aggressive war. The essence of Mr. Churchill's Fulton speech in 1946—which was made under the presiding auspices of President Truman and set the line for the subsequent Atlantic Alliance—was, according to Mr. Bevin's statement in Parliament in 1950, the advocacy of a "preventive war" against the Soviet Union:

> "As I understood the Fulton speech, it was a preventive war which Mr. Churchill had in mind."
>
> (ERNEST BEVIN, Foreign Secretary, in the House of Commons, March 28, 1950.)

It is worth noting that Mr. Churchill repeatedly congratulated the Labour Government on the fidelity with which it was fulfilling "his" Fulton programme. Similarly the United States Secretary of the Navy Matthews declared in his speech at Boston on August 26, 1950:

> "The initiation of a war of aggression would win for us a proud and popular title — we would become the first aggressors for peace."

This indiscretion received a mild rebuke from President Truman; but it was noted that the Secretary of the Navy was not dismissed for making this statement; and it subsequently transpired that this statement was no impromptu rhetorical outburst, but that the text had been previously passed by the Secretary for Defence Johnson. It would be possible to fill hundreds of pages with similar bellicose declarations from leading American statesmen and generals.[1]

1 "We must maintain armed forces all over the world. The United States may have to occupy more countries before the cold war is ended." (**U. S. Vice-President Barkley**, speech at New Orleans, May 22, 1950.)

"Even from the Atlantic island nations or from Japan or Alaska frequent

The more formal diplomatiic language preferred by the official leaders of the Atlantic Alliance, and used repeatedly by Truman, Acheson, Churchill, Eisenhower and others, is to advocate the building up of the armaments and strategic preparations of the Atlantic Alliance to a decisive point of strength in order then to have a "showdown" with the Soviet Union, i.e. to present at the pistol's point terms of capitulation to the Soviet Union. The same conception was expressed by Ernest Bevin in Parliament on October 17, 1950, when he declared:

> "The Western Powers have got to be strong....They have got to be perfectly clear as to the kind of world they want and stand for it until they get it."

It is only necessary to imagine the effect if a corresponding formulation of policy were presented by a Soviet Foreign Minister to see that we have here a perfect formula for war. The same policy is thinly veiled in the slogan issued for popular consumption, "peace through strength," i.e. peace through the mailed fist. The terms to be imposed by the superior armed strength of the Atlantic powers include, according to numerous official statements (including official programme declarations of the Conservative Party and Labour Party in Britain), the overthrow of the People's Democracies in Eastern Europe[1] and the partition of the Soviet

and intensive strategic bombing could touch only fragmentary parts of Central Eurasia. Bases must be established on the mainland of the overseas land mass." (**Kenneth Royall**, Secretary for the Army, to the Senate Armed Services Committee, March, 1948.)

"United States bombers could hit Moscow to-morrow and hit it hard .... All assignments have been made and everybody knows just what to do .... The United States must not allow itself to be deluded by Russia's conciliatory attitude." (**Clarence Cannon**, Chairman, House of Representatives Appropriations Committee, September 26, 1949.)

"Now that we have got a head start on the H. Bomb we should lay down the law .... not as diplomats, but as soldiers .... We have got to act while we have the advantage." (**General Howley**, former U. S. Commander in Berlin, February 6, 1950.)

"President Truman told a press conference to-day that the United States was relying on force rather than diplomacy in its dealings with the Soviet Union." (**Manchester Guardian**, September 21, 1951.)

"The United States must not stand idly by while any part of the world remains under the rule of either Communist or Fascist dictatorship." (**John Foster Dulles**, Republican Foreign Policy Adviser to President Truman, in a broadcast, February 10, 1952.)

"War! As soon as possible! Now! .... We must start by hitting below the belt. This war cannot be conducted according to Marquis of Queensberry rules." (**General Grow**, U. S. Military Attache to Moscow till January, 1952, diary published in Berlin, 1952.)

"A persistent trend in American thought—the belief that there can be no peace and security for the American states until every Communist government has been rooted out in Asia and in Europe. This is a policy of unlimited liability." (**Times**, May 22, 1951.)

"The present American programme is designed for fighting Russia, not for staying at peace by deterring a Russian aggression." (**Economist**, October 6, 1951.)

1 "We are not prepared to regard those ancient states and nations which have already fallen beneath the Soviet yoke as lost for ever. There is every reason to regard as one area the territories of Europe from the English Channel to the Soviet Frontier of 1938: the proper purposes of Western

Union.[1] It is obvious that we have here a programme for aggressive war.

It is essential to characterise sharply this menacing and aggressive character of the Atlantic War Alliance as the main organisation of the drive to war in the present world situation, since the obligations of this American-dominated war coalition govern Britain's present policy, alike in international relations, and in the domestic field. Hence the questions involved in this participation are of decisive importance for Britain's crisis.

4. *The New Holy Alliance*

It would be a misconception to regard the Atlantic Alliance as only an organisation for a possible future war against the Soviet Union.

As with its predecessor, the Anti-Comintern Pact, the public aim of the intensive military and strategic preparations is directed against the Soviet Union and against the "Communist menace." But just as the Anti-Comintern Pact contained within this facade the aggressive and predatory aims of German, Italian and Japanese imperialism, so the Atlantic War Alliance contains within its anti-Soviet facade the aggressive and predatory aims of American, British and Western European imperialism. In the case of the Atlantic Alliance, however, the predominant position of American imperialism is so outstanding that the British and European Empires hold a satellite position, and the immediate line of advance of American expansion is pressed forward at the expense of the British and other European Empires.

In the same way as the Axis opened its war offensive with a series of regional wars, in eastern Asia, Abyssinia and Spain, which were the prelude to world war, so the Atlantic Alliance has opened its war offensive with a series of regional wars, in Eastern Asia and in South-east Asia, and through varying degrees of military operations of undeclared war in the Middle East and Northern Africa.

The Constitution of the North Atlantic Treaty is framed in

policy will not be attained until they are partners in one Europe." (Conservative Election Manifesto, February 1950.)

"The Kremlin has already mutilated Europe's unity by forcing its dominion on all the peoples of Eastern Europe—peoples which must return to the world of freedom before our task is ended." (Labour Party Executive Committee Declaration on "European Unity," June, 1950.)

"Our government, once and for all, with bold finality, must tell the Kremlin that we shall never recognise the slightest permanence in Russia's position in Eastern Europe and Asia." (**General Eisenhower**, speech to American Legion rally in New York, August 25, 1952.)

1 "The use of this weapon [the atom bomb] would shake the foundations of the Soviet Union throughout the vast areas of Russia, and the breakdown of communications and centralised control might well enable the brave Russian people to free themselves from a tyranny far worse than that of the Tsars." (**Winston Churchill** at Strasbourg, August 15, 1950.)

very wide and elastic terms in such a way as to permit its military clauses to come into operation in any part of the world and under virtually any circumstances judged suitable by its participants. This is the special significance of the pivotal Clause 4:

> "The parties will consult together whenever, in the opinion of any of them, the territorial integrity, political independence or security of any of the parties is threatened."

It will be observed that the machinery of the Treaty is designed to come into operation, not merely in the event of an armed attack against a member state, but in the event of an alleged "threat"—couched in the vaguest possible terms—to the "territorial integrity" (including the colonial empires) or "political independence or security" of any one of them (e.g. in the event of a Communist or pro-peace majority in a parliament); and that the judgment of this "threat" is to depend, not on the opinion of the state concerned, but on "the opinion of any of them," i.e. of the United States.

The significance of this wide range of operation of the Atlantic War Alliance in any part of the world, and against any development of the popular movement in any country, was emphasised in accompanying Press comment. Thus the *Daily Telegraph* noted on March 23, 1949:

> "Article Four is even more important. This, with no regional limitations, provides that if there is any situation anywhere which appears to affect the security of any member, they will all consult on what action to take. The article does not explicitly promise action, but action could be taken under it....
>
> "If developments in Burma or the Malay peninsula led America, Britain or France to feel her security was threatened, she could call a conference of Atlantic Powers for consultation.
>
> "Should the Italian Government fear that Communist sabotage threatened its political independence, it could call a meeting of the Atlantic Powers with the possibility that joint action would be taken to meet the danger."

This view of the virtually unlimited range of the Atlantic Treaty has been upheld equally by the United States and British Governments. The United States Secretary of State, Dean Acheson, in reply to a question at a Press conference "whether the United States could intervene under the terms of the pact in the event of a revolution like that in Czechoslovakia in 1948," replied that "if internal revolt was fomented from outside," this would be a case for action under the Treaty (*Daily Herald*, March 19, 1949). Similarly the British Lord Chancellor, Lord Jowitt, emphasised in the House of Lords on March 1, 1951, the operation of the Atlantic

Treaty to justify intervention by the Atlantic Powers in the event of internal revolution or civil war in any country:

> "Civil wars would only too often serve the cause of world revolution. . . . What might appear to be civil wars might in fact be aggression in disguise. . . .
>
> "The Government were well aware of that danger and would not be easily misled by anything which might happen in central Europe, the Middle East or further afield. They would not be taken in by the fact that aggression took the form of civil war; it might well, in spite of that, be aggression naked and unashamed."

The Times on the following day noted that this Government statement on the operation of the Atlantic Pact to deal with internal revolts or civil wars in any country was "obviously deliberate and carefully calculated."

Under what conditions might the Atlantic War Pact come into operation and unloose a new world war? This remains a carefully guarded strategic secret. When this question was explicity put in the United States Senate to the Secretary for Defence, Louis Johnson, the latter refused to give a public reply.

> "Senator Connally asked who would determine whether there had been an armed attack on an Atlantic Treaty country, which would require other signatories to come to its defence. Mr. Johnson said any answer he might make in public session would be misrepresented and exploited by the Communist Press."
>
> (*Manchester Guardian*, June 6, 1950.)

Thus the peoples of the Atlantic Pact countries may find themselves thrown into a new world war, under wide and unspecified conditions (not merely in the event of invasion of one of their countries) at a moment's notice, without consultation of their parliaments, by a decision of the North Atlantic Council, whose proceedings are in practice dominated by the United States.

The experience of the Korean war shows that the independent decision of the United States for military action comes first, and that the rubber-stamping of the decision by the satellites through the appropriate organ, either the United Nations Security Council (an illegal decision by only three of the five permanent powers), or the North Atlantic Treaty Council (a more convenient and amenable body obviously now preferred by the United States for the next military action) follows after.

5. *Empire War Plans*

Hence the operation of the Atlantic Pact as a military coalition of the imperialist Powers under United States control for war and aggression in any part of the world extends far beyond the aim of a hypothetical future war against the Soviet Union, People's China or the People's Democracies in Europe. Ostensibly the aim is declared to be "defence" against the Soviet Union. In practice the very much wider military interests of the Holy Alliance of imperialist powers for domination in all parts of the world are often brusquely admitted in strategic calculations to be independent of any question of the policy of the Soviet Union.

Thus already in 1948, while the Atlantic Pact was still only in preparation, the *Sunday Times* (August 29, 1948) spoke of Britain's extensive military commitments as by no means dependent on the policy of the Soviet Union.

> "The Government has to take into account the troubles in Burma, Malaya, India and Palestine. The ordering of the Second Guards Brigade to Malaya has substantially affected our strategic reserve....
>
> "Russia is not believed to be bent on war....But the Government's plans are by no means entirely dependent on the Moscow negotiations, nor are they due solely to Russian policy. We have to take a wider view, and in the East there are actual hostilities and a risk of their extension....
>
> "The battalions of Guards and armoured troops now on their way to Malaya represented the bulk of our last and only mobile strategic reserves."

Similarly, the Military Correspondent of the *Evening Standard* drew the conclusion on September 1, 1948:

> "If Britain is to fulfil its commitments in Malaya, the Middle East and elsewhere, it is essential that the period of service is increased by at least six months. Some Service Chiefs.... would even like to see it increased from one to two years...."

In response to this agitation, the Government increased the period of conscription to eighteen months, and then further increased it to two years.

Here the aims of colonial war, of imperialist policy, are open. For popular consumption, talk of the "Russian menace" is freely spread, with lurid propaganda, in the same way as it was used by Hitler to cover his campaign of aggression before the war, in order to justify the Government's rearmament programme and the Atlantic Pact. But in the circles of the professional military correspondents this talk is discounted ("Russia is not believed to be bent on war"; the Government's rearmament programme is "by

no means due solely to Russian policy"); the centre of attention is fixed on "Burma, Malaya, India and Palestine," "the East," "the Middle East and elsewhere." Talk of the "Russian menace" is only a blind for reactionary aggressive imperialism.

There is no doubt that the aggressive military aims of the Atlantic War Alliance are ultimately directed, as also were those of Hitler, against the Soviet Union as the impregnable central fortress of the camp of democracy and socialism throughout the world. This is made abundantly clear in all the pronouncements and strategic declarations of American leading politicians, publicists and service chiefs—even more explicitly than in the earlier corresponding declarations of Hitler's *Mein Kampf*. But the fulfilment of this ultimate objective requires many political and military preconditions. After the collapse of the illusions of the atom bomb maniacs, who preached that the atom bomb was the invincible weapon of a sole self-sufficing air offensive strategy to win the war and destroy the Soviet Union, the American General Staff came to recognise that the first condition for the fulfilment of their future plans of war against the Soviet Union required the establishment of bases, political control, and preparation of ground forces in the regions surrounding the bloc of the Soviet Union and the People's Democracies, that is, especially in Western Europe, with Germany as the centre, and in Eastern Asia, with Japan as the centre, as well as in the Middle East, with Turkey and Iran as the main bases. Hence it is in these regions that there is the immediate concentration of the imperialist offensive and active war preparations. This is not contrary to, but precedent to the ultimate aims of aggression against the Soviet Union. At the same time this coincides with the present problems of imperialism, which are concentrated with the highest degree of tension in these regions. Thus the contradictions between the imperialist powers come increasingly to the forefront, also within the conditions of the Atlantic Alliance.

In *Western and Central Europe* the military and strategic preparations of the Atlantic Alliance have been carried forward with the establishment of the American-controlled Supreme Command in Europe, first under General Eisenhower, and then under General Ridgway, and the building up of a combined army of British, French, American, Benelux and Italian forces under this command, alongside plans for the remilitarisation of Western Germany to provide additional military forces, and the development of further bases and points of concentration in Austria, Trieste and Jugoslavia.

Outside Europe the military and strategic preparations have been pressed forward in all parts of the world, but have been especially active in Eastern Asia, in the Middle East and in northern Africa. It is, in particular, in Eastern Asia and the Middle East that the Atlantic powers have been engaged, not only in strategic

preparations and concentration of armed forces, but in active wars or military operations.

In *Eastern Asia*, after the collapse of the intervention in China against the Chinese popular revolution between 1945 and 1949, the war in Korea from 1950 became the main combined war of the Atlantic powers against Asiatic national liberation. The build-up of armed forces in Korea, and the seizure of Formosa and maintenance and financing and equipping of the Chiang Kai-shek armies in this island base, together with an extension of Kuomintang forces into northern Burma, were regarded as providing the initial jumping-off ground for the openly avowed aim, officially proclaimed by the United States Secretary of the Navy, Kimball, and the principal Republican adviser on foreign policy, Dulles, to resume the war on China by blockade, air attack and resumption of invasion of the mainland. At the same time Japan was turned into an American armed base by the illegal San Francisco Treaty and Japanese-American military alliance, proclaimed in force in April, 1952, which established the nominal "sovereignty" of Japan as an American satellite, with provision for the remilitarisation of Japan and continued American armed occupation.

In *South-east Asia* the direct wars of the Atlantic colonial powers were conducted against the liberation movements of the peoples by France in Vietnam, by Britain in Malaya and (through the British Military Mission and Nu Government) Burma, by Holland in Indonesia, and by the United States in the Philippines.

Succesive attempts were made by Britain and the United States to build up a broader military coalition in Southern and South-east Asia. These attempts were originally presented in the guise of a "Pacific" Pact or Bloc to correspond to the Atlantic Pact in the West. But the rivalries of British and American imperialism led to conflicting plans and limited the final outcome.

The British and Australian proposals for a broad counter-revolutionary bloc of imperialism in Southern and South-east Asia, or Pacific Pact, were pressed forward during 1949 and 1950 through a series of empire conferences and consultations, military conferences at Singapore, "Asian" conferences at Delhi, and special Cabinet Envoys' missions to Australia, New Zealand, India, Pakistan and Ceylon. These proposals envisaged a basic membership to include Britain, Australia, New Zealand, India, Pakistan and Ceylon, with the co-operation of France, Holland and the United States. The strategic plan was described, with reference to the second Delhi Conference in March, 1949:

> "The real objects of the Conference will be to integrate all Commonwealth countries into the system of Western Defence and devise some sort of co-operation for resisting the spread of Communism in Asia. Active measures considered will be

> primarily economic and directed against Communism's political offensive, but the military aspects of the situation will not be overlooked. What is contemplated is a kind of Indian Ocean Pact to complement the Atlantic Pact in the historic task of 'containing Russia.'"
>
> (*Daily Telegraph*, March 14, 1949.)

More concrete details were available in the local Press:

> "In the new Defence plans the primary role of Australia and New Zealand will be the provision of air and naval forces. The main ground forces would be supplied by India and Pakistan. Ceylon's most important contribution would be the vital strategic naval base of Trincomalee. It is known that the United States Government would welcome such a defence arrangement among the Commonwealth countries as a counter to the spreading Soviet Communist power in Asia."
>
> (*Straits Times*, January 24, 1949.)

"The main ground forces would be supplied by India and Pakistan." Such was the ignominious destiny planned for "non-violent" India by the Empire strategists—to supply the troops for the subjugation of Asia to imperialism. Nor have these calculations yet passed out of the picture.

These plans, however, of the British imperialists to build up the counter-revolutionary and strategic bloc in Southern and South-east Asia under their own auspices and control, with the benevolent approval and assistance of the United States, failed to achieve the desired outcome. They broke down in the face of two obstacles. The first was the overwhelming anti-imperialist feeling of the Indian people, and their active opposition to any plan to draw them into a military combination of imperialism for war against the liberation movement in Asia. The Indian Government was compelled to take this opposition into account, and to manoeuvre in its policy. The second obstacle was the resistance of the United States to any plan for a combination or alliance in Eastern Asia which would not come under its own dominant control.

Hence the final outcome of the Pacific Pact followed the lines of United States strategy and control, and not of the British Empire. In 1951 an agreement was drawn up and adopted for a Pacific Pact of the United States, Australia and New Zealand, excluding Britain, and a subsidiary Pacific Pact of the United States and the Philippines. These came into operation at the same time as the American-Japanese Treaty in 1952. British Government representatives made no attempt to conceal their mortification at being thus excluded from the Pacific Pact. By the Pacific Mutual Security Pact, Australia and New Zealand passed into the sphere of "protection" of the United States. A further step had been thereby taken

towards the original MacArthur conception of the Pacific as an "Anglo-Saxon lake" under American domination:

> "Now the Pacific has become an Anglo-Saxon lake, and our line of defence runs through the chain of islands fringing the coast of Asia."
>
> (GENERAL MacARTHUR, interview with Ward Price in the *Daily Mail*, March 2, 1949.)

In the *Middle East*, the traditional region of British domination, similar cross-currents of Anglo-American rivalry complicated the situation. British policy in the Middle East received a resounding defeat over Palestine, with the complete fiasco of the war of the British-armed and equipped forces of its puppet rulers in the countries of the Arab League against the new state of Israel, which received finance and equipment from the United States. The calling of the Conference of British representatives in the Middle East in the summer of 1949 reflected this breakdown of the original plans to build a British-controlled power-bloc on the basis of its puppet dictators in the countries of the Arab League. The military impotence and internal instability of the reactionary regimes of these dictators had been demonstrated in the test of war. The *Economist* of July 16, 1949, lamenting that the Arab League "which Britain used so hopefully, is broken," continued:

> "It would be as well to admit that the result is equivalent to the bankruptcy of British policy. . . .The political balance sheet of the last four years seems to be ending with a heavy deficit."

The journal drew the conclusions that the only future policy must be based on an Anglo-American combination in the Middle East:

> "The new starting-point of British interest in the Middle East must be a close Anglo-American understanding. No attempt to achieve such agreement was made in 1945. . . .On the contrary, there was an undercurrent of feeling in favour of excluding America from an area in which Britain had been dominant for the last eighty years. But the results have hardly been auspicious. The attempt, avoided in 1945, must be made to-day."

A similar conclusion was expressed by one of the leading American publicists on the Middle Eastern questions, that the aim must be to build up

> ". . . .the combined resources of an historical British system of authority and influence and an influx of American power based on a vast economic and military potential. . . .The unvarnished fact of the moment is that the British system and American resources are a Siamese-twin power in the Mediter-

ranean. The British system can no longer work effectively except in conjunction with American resources, and American policy cannot yet employ its resources effectively except in conjunction with the British system....

"The United States and Great Britain agree on the practical necessity for....blocking the Soviet Union from direct participation in Mediterranean affairs generally."

(WILLIAM REITZEL, *The Mediterranean, Its Role in America's Foreign Policy*, New York, 1948.)

Despite these increasingly urgent pleas for Anglo-American co-operation in the Middle East, American pressure continued to advance at the expense of the weakening British domination. United States imperialism took over Greece from Britain, and established its complete control over Turkey. British imperialism sustained a further resounding defeat in Iran in 1951, with the enforced withdrawal from Abadan and expulsion of the Anglo-Iranian Oil Company. Previous bellicose British declarations of the determination never to withdraw from Abadan, and ostentatious concentration of military and naval forces, ended in a fiasco in face of the American rejection of the repeated entreaties for support for the projected military and naval measures. The British rulers were thrown into further difficulties by the deepening crisis in Egypt in 1951 and 1952. Alike in Iran and in Egypt, American policy showed itself not unwilling to take advantage of the crisis and weakening of British power, even at the same time as maintaining common opposition to the demands of national liberation.

The importance of Egypt for the war plans in the Middle East was emphasised by the British Chief of the Imperial General Staff, Field-Marshal Slim, in his conversations with the Egyptian Premier, Nahas Pasha, in the summer of 1950:

"Anybody who wants to hold the Middle East must hold Egypt....Egypt is the key to the Middle East. Who holds Egypt holds the Middle East."

"If the British troops withdraw from Egypt, it will have a disastrous effect on the cold war against Russia."

"The Eastern forces and the Western forces face each other; a clash may happen any time and would result in war." (FIELD-MARSHAL SLIM.)

"The war is closer this time than in 1936." (Mr. CHAPMAN ANDREWS, British Minister in Cairo.)

(*Egyptian Green Book of British-Egyptian Conversations*, June, 1950.)

Already by 1950 Britain had concentrated 43,000 British armed forces in the Canal Zone (in violation of the 1936 Treaty, permitting 10,000), as well as 50,000 employed Egyptian personnel. In 1951 and 1952 heavy further reinforcements were sent, in addition to the massing of forces and military and strategic preparations in Cyprus and elsewhere in the region.

The open offensive significance of this concentration of forces in the Middle East was underlined by *The Times* in an article on December 28, 1951, which stressed the role of the Canal Zone as an "*offensive-defensive base.*" The Canal Zone, this estimate pointed out—

> "is not and has not been for many years a base purely for the defence of the Canal, as some of the more ingenuous apologists on either side would have us believe; it is an 'offensive-defensive' base—a stronghold from which forces can be speedily dispatched to any part of the Mediterranean or Near East should the need arise."

Plans were actively pressed forward during 1951 for the formation of a Middle Eastern Command in association with the Atlantic Powers Supreme Command. On November 10, 1951, the American, British, French and Turkish Governments issued a Four Power Declaration announcing their "intention to establish the Middle Eastern Command":

> "The Supreme Allied Commander, Middle East, will command forces placed at his disposal and will develop plans for the operation of all forces within the area (or to be introduced into the area) in time of war or international emergency."

Supplementary declarations of support were issued on behalf of the Australian, New Zealand and South African Governments.

The difficulty in the path of the establishment of this Middle Eastern Command was the unconcealed opposition of the peoples of the Middle East to this erecting of a joint imperialist military power over them for their supposed "protection." It was evident that they regarded the would-be "protectors" as the menace to their security and freedom. As the *Observer* on October 21, 1951, regretfully commented:

> "It is recognised in London that none of the four powers is popular in the Arab world. Britain and France are both regarded as imperialist or would-be imperialist Powers. . . Turkey is an ex-imperialist Power which was expelled from the Arab countries by the joint efforts of France and Britain in 1918. America is tainted with the support she gave to Israel when Israel, in Arab eyes, was seizing their Palestinian territory and expelling their relatives."

The Secretary of the Arab League, Azzam Pasha, expressed himself as "startled"—

> "by the geographical conception of a Middle East which seemed to include almost anyone, from America to Australia, from Europe to South Africa, with the exception of the nations forming the Middle East."
>
> (*Times*, November 12, 1951.)

Hence the efforts of the imperialist powers were directed to promote political changes in the Middle Eastern countries, by the violent suppression of the popular movement, and establishment and maintenance of reactionary satellite governments or military dictatorships, to make possible the participation of such governments in the planned Middle Eastern Command.

Finally, in *Africa* the war plans and preparations have been pressed forward with increased emphasis. This applies equally to the development of American bases in northern Africa, and British in Libya, and to the British strategic preparations in eastern and western Africa, as well as the increasingly aggressive role of the Malan Government in South Africa.

Parallel with the partial retreat of British power in the Middle East has developed the increasing strategic concentration on Africa, which goes hand in hand with the economic concentration already discussed. This was brought strongly into the limelight with the visit of Field-Marshal Montgomery to Africa in the autumn of 1946, when the *Daily Mail* wrote:

> "The British Government's decision to quit Palestine, Burma's secession from the Commonwealth, the weakening of the ties with India, and the uncertainty of Britain's tenure in Egypt, have hastened the adoption of plans for a new Commonwealth defence system... Kenya is the new centre of Commonwealth defence, and South Africa its arsenal."

The *Daily Express* wrote at the same time:

> "East Africa is expected to become a main atomic-age training ground of the British Army, and a main support base in the new Empire defence system."

Large-scale military bases have been constructed with lavish expenditure in Kenya and in Nigeria; and naval bases have been built up in Tobruk, Derna, Benghazi, Mombasa and Simonstown. The hope is even put forward to replenish the depleted manpower for the enormous military commitments of the Empire from the subject colonial populations:

> "Looking at the matter from the point of view of the army of the future, we were desperately short of manpower, but large

numbers of men could be found in the colonies. Within two or three years we could get one million men from the colonies."

(LORD TRENCHARD, House of Lords, January 29, 1947.)

Against this optimistic vision, the Under-Secretary for the Colonies pointed out that the obstacle in the way of such a desirable consummation lay in the disease, under-nourishment and weakened vitality of the African population.

The further obstacle recognised by the imperialist rulers lies in the rising unrest and liberation struggle of the African peoples.

"The defence problem of Africa embraces two main requirements. The first is the problem of internal security....The internal security problem is one which looms large....It might be more a question of what reinforcements must be sent to these territories rather than what forces can be spared from them to assist in the defence of the Middle East."

MAJOR-GENERAL SIR FRANCIS DE GUINGAND, "African Defence," in *The Times Review of the British Colonies*, September, 1951.)

Thus it may be said that in all these regions of imperialist domination the active military preparations, strategic planning for a future war and in some cases local military operations, have been pressed forward at an accelerating tempo. At the same time the contradictions have also increased, both between the imperialist powers, especially between the United States and Britain, and also on account of the rising opposition of the peoples in all these regions to the imperialist war plans, and the advancing level of their liberation struggle. This has meant a continuously increasing strain of ever extending military commitments of the Atlantic Powers all over the world.

6. *Price of Empire War Plans*

The extent of British overseas military commitments arising from the existing imperialist policy can be seen from *Table* 30, compiled from official sources, on the facing page.

These are routine commitments. The dispatch of special forces to Malaya, Korea, Hong Kong or Egypt is additional.

Alongside this may be set the list of United States overseas military bases published in the magazine *Fortune* in January, 1952 (*Table* 31, on the facing page). It is worth noting that *Fortune* described the listed bases as an "under-statement."

Table 30

BRITISH OVERSEAS MILITARY BASES IN 1950
(*excluding Germany*)

Aden	Gibraltar	Tripolitania
Bermuda	Jamaica	Akaba (Transjordan)
British Honduras	Malaya	Greece
Cyprus	Malta	Austria
Cyrenaica	Singapore	Trieste
Egypt (Canal Zone)	Somalia	
East Africa	Sudan	

BRITISH AIR BASES OVERSEAS IN 1950

Gibraltar	Cyprus	Ceylon
Iraq	Somaliland	Germany
Arabia (Persian Gulf)	Southern Rhodesia	Aden
Malta	Hong Kong	Sudan
Transjordan	North Africa	Malaya
East Africa	(inc. Egypt)	Austria
Singapore	Pakistan	

Table 31

UNITED STATES LAND, SEA AND AIR BASES IN JANUARY, 1952

Saudi Arabia	Greenland	Formosa
Morocco	Canada	Okinawa
Libya	Alaska	Japan
Trieste	The Aleutians	Korea
Austria	Kodiak Island	Guam
Germany	Bermuda	The Ryukus
France	Panama	Marshall Islands
Britain	Cuba	Midway Island
Iceland	Puerto Rico	Johnston Island
The Azores	Trinidad	Hawaiian Islands
Newfoundland	Philippines	

This is a considerable military spread across the world by the two "pacific" powers engaged in heavy rearmament professedly only for "defence."

But there is an important difference in the situation of these two leading world imperialist powers with their extensive military commitments circling the globe.

The United States with its enormous economic resources, accumulation of wealth, and productive power, is in a stronger position to carry the burden of these world military commitments, and even in addition to subsidise and arm a host of satellite countries to the tune of billions of dollars every year. Nevertheless, even

for the United States this has meant devoting no less than 77 per cent. of its Budget of 1952-3 to military purposes (60 per cent. direct military expenditure; 13 per cent., "foreign aid," predominantly military or for strategic purposes; and 4 per cent., atomic projects); or, with the inclusion of service pensions and debt interest, over nine-tenths of the Budget to wars, past, present and future; leaving only 3 per cent. for social services, health and welfare in the federal Budget.

But Britain, with one-third of the population of the United States, with a crippled economic situation, a chronic deficit on the balance of payments, and dwindling reserves, is subjected to a fatal strain on its resources and manpower in the endeavour to maintain its gigantic burden of world military commitments associated with an empire extending over one-quarter of the globe.

The consequences show themselves equally in the crisis of manpower and in economic deterioration. Increasing numbers are required for the armed forces, and for their supply, and still the complaint is raised that there is not enough. The Western colonial powers find themselves compelled to dispatch hundreds of thousands of European soldiers alongside their Gurkhas, Senegalese and Dyak head-hunters to conduct their wars against the liberation struggle of the peoples in Asia. At the same time the American demands are insistently pressed for a rapid increase in the number of divisions in Western Europe. In vain the Western European Governments plead their inability to meet these multiple demands. The demands continue to be increased. With bitterness the complaint is repeatedly sounded from Western politicians and generals—it is actually raised as a complaint!—that not a single Soviet soldier is fighting, while the Western powers have to dispatch troops to a whole series of fronts. They are so deeply enmeshed in the dilemmas of their position that they do not realise the full significance of this curious "complaint."

In 1950 the British Prime Minister, Mr. Attlee, in a broadcast on July 31, emphasised how British military forces were "stretched" to the limit, in order to explain the difficulties in sending a contingent to Korea:

> "We ourselves have to keep forces in various parts of the world, garrisoning key points such as Hong Kong or the Middle East, forming part of the occupation forces in Germany, Austria and Trieste, or engaged in actual fighting against Communist banditry in Malaya.
>
> "Therefore our military forces are stretched."

Nevertheless, the contingent had to be sent to Korea; and in 1951 additional forces were dispatched to Egypt and the Middle East.

On July 30, 1952, Mr. Churchill informed Parliament: "The units of our army are almost all overseas."

Previously it had been easy for the British Empire rulers to use the Indian Army for the purposes of colonial wars or to dispatch to threatened points for the reinforcement of local garrisons. In the new conditions this expedient ceased to be available. As General Sir William Morgan lamented in a speech in New York on March 28, 1951, with reference to the crisis in Iran:

> "There was not nearly enough British military strength in the Middle East. They might get a very serious situation in the Persian oilfields, and he did not know where they could find the necessary troops....'In the old days we just sent up an Indian Brigade. We cannot do that now.... We must get Pakistan and probably Indian help too.'"

Similarly, Mr. Churchill referred to the same loss of the use of the Indian Army with reference to the crisis in Egypt (speech in Parliament on January 30, 1952):

> "Now that we have no longer available the former Imperial armies which existed in India, the burden of maintaining the control and security of the international waterway of the Suez Canal is one which must be shared more widely."

In the same speech Mr. Churchill estimated the total armed forces of the Atlantic Powers engaged in Eastern Asia and the Middle East as equivalent to twenty-six divisions:

> "The facts are so serious that they should not be overlooked. There are the equivalent of ten divisions, including a most important part of the American Army and our one Commonwealth division, in Korea.... Let us count the diminution of the French Army in Europe (by the war in Vietnam) as ten divisions. That is certainly a moderate estimate. Then there are the British forces which are spread about the East and the Far East... in Hong Kong, Malaya and to some extent in the Canal Zone of the Middle East. These amount to at least six divisions, far more costly in resources to maintain than if they were at home or in Europe. This makes a numerical total of twenty-six divisions. But the equivalent in war power, measured by divisions employed in Europe, might well be thirty or even thirty-five."

Yet on top of this the Atlantic Plan called for fifty divisions in "combat readiness" in Western Europe by the end of 1952, to be eventually increased to 100. And these gigantic armed forces were to be maintained alongside a no less staggering and onerous rearmament programme.

It is not difficult to see here, in these consequences of imperialist policy the decisive operative factors aggravating and intensifying

the economic deterioration and crisis in Britain and the Western European countries.

7. *Menace of War Plans for Britain*

The ruinous cost of the imperialist war policy for Britain is not confined to the immediate economic and military strain to which Britain is at present subjected.

Indisputably greater perils menace Britain in the event of the type of atomic world war which is being openly envisaged and prepared by the planners of the Atlantic War Alliance.

The policy of endeavouring to maintain the existing domination of colonial and semi-colonial countries all over the world inevitably leads to the subordination of British foreign and strategic policy to the United States. Britain no longer rules the seas; yet sea power was the indispensable basis of the maintenance of the Empire. To-day the United States holds strategic sea and air supremacy. In consequence, Britain can only continue to hold its overseas Empire by permission of and under the control of the United States. This is the key to the British foreign policy which has been pursued during the years since the second world war, alike under the Labour Government and under the Tory Government. Imperialism is the key to the Churchill-Attlee policy of capitulation to the United States.

United States imperialism, however, has its own war plans in which Britain is allocated a subordinate and costly part. These plans have been made sufficiently clear in the documents and declarations of the American General Staff and military, naval and air chiefs and ministerial heads. Thus General Bradley, United States Chief of Staff in charge of the combined staff arrangements under the Atlantic Pact, outlined his conception to the House of Representatives Foreign Affairs Committee on July 29, 1949:

> "Their strategy was based on five assumed factors.
>
> "First, the United States would be charged with strategic bombing. The first priority of the joint defence was ability to deliver the atomic bomb.
>
> "Second, the U.S. Navy and the Western Union naval Powers would conduct essential naval operations, including keeping the sea lanes clear. The Western Union and other nations would maintain their own harbours and coastal defence.
>
> "Third, the joint Chiefs of Staff recognised that the hard core of ground power in being would come from Europe, aided by other nations as they mobilised.
>
> "Fourth, Britain, France and the closer countries would have the bulk of the responsibility for short-range attack, bombard-

> ment and air defence. The United States would maintain a tactical air force for their own ground and naval forces and for the defence of the United States.
>
> "Fifth, other nations, depending upon their proximity or remoteness from the possible scene of conflict, would lay emphasis on appropriate special missions."

This is clear enough. The United States carries out the strategic bombing with the atom bomb. Britain, France and the other Western European countries provide "the hard core of ground power." The U.S. tactical air force is only to be "for their own ground and naval forces and for the defence of the United States," i.e., not for defence of Europe.

This is the same conception which found classic expression in the declaration of the Chairman of the House of Representatives Appropriations Committee, Clarence Cannon, in April, 1949:

> "The United States must be prepared to equip the soldiers of other nations and let them send their boys into the holocaust, so that we won't have to send our boys. That's what the atom bomb means to us."

It is true that in the subsequent endeavours to build up a so-called "European Army" under American command the United States found itself compelled to agree to the dispatch and maintenance of six divisions in Europe, as a minority component of the planned total of fifty to 100 (even so with a promise to the Senate that they would eventually be withdrawn). But the principle of United States strategy, officially and publicly proclaimed, remains to endeavour as far as possible to fight with the soldiers of other nations. This principle has been explicitly set out by General Eisenhower, General Marshall, Mr. Taft and other authorities:

> "It is cheaper to fight with soldiers of foreign nations even if we have to equip them with American arms, and there is much less loss of American life."
>
> (R. A. TAFT, Senate Republican leader, speech at Washington, May 19, 1951.)

> "It takes a man and a gun to fight. The United States is providing the gun, Europe the man."
>
> (GENERAL EISENHOWER, speech to United States senators in Paris, August, 1951.)

> "Europe must provide the bulk of the foot soldiers. Ours is to be the small fraction, not the great fraction of the troops."
>
> (GENERAL EISENHOWER, statement of the Senate Armed Services Committee, February 2, 1951.)

> "We are proposing dollars to arm men other than our own men. We are contributing dollars rather than men."
>
> (GENERAL MARSHALL, statement to the Senate Foreign Affairs Committee, August 1, 1951.)

This was the old familiar principle of the British ruling class in the days of its world supremacy until 1914. The principle of subsidising, arming and equipping the soldiers of other nations, while providing only a small token contingent, was still maintained by the Asquith-Grey-Haldane Government in the building of the Entente, when it was anticipated that the British contribution in the field would be confined to the expeditionary force of six divisions of the Regular Army. But the experience of the first world war smashed this principle for Britain and revealed the end of its world supremacy. Britain has now become one of the "other nations" to be subsidised and armed and flung "into the holocaust" by the new dominant world imperialist power.

Britain is accordingly required by American strategic policy, to which both the Labour and Tory Governments since the war have equally agreed:

(1) to provide the atom bomb base for the American atom bomb offensive in Europe; and therefore to be the main target in the event of war;

(2) to provide a mass land army for use in Europe.

In its immediate effect this policy places a crushing burden upon Britain. In addition to the already vast military overseas commitments of empire, and of existing colonial warfare, Britain is required to provide and hold in readiness a continental land army, that is, to become a continental land power.

> "This is a revolution in our foreign policy, and it implies a revolution in our defence policy. It turns us from a maritime Power in reserve into a continental first-line Power....
>
> "British land forces will have to take a major, perhaps *the* major part in meeting the first shock. Unless there is a large standing Allied army on the continent of Europe, Western Europe is now indefensible....
>
> "What our present position demands is not 200,000 regulars training 200,000 raw recruits at home; but 400,000 regulars ready to defend the Rhine."
>
> (*Observer*, March 6, 1949.)

Napoleon said of old that Britain could never become a continental land power, and that if it made the attempt, that change would mark the downfall of Britain. But that was still in the days of Britain's strength and ascendancy. It has remained for the present

rulers of Britain to make the attempt in the days of the decline of capitalist Britain, economic exhaustion and impoverishment, and stringency of manpower.

Such are the immediate decisive factors of the war policy in causing Britain's present critical situation.

In its ultimate effect the American atom bomb strategy brings into view even more menacing prospects for Britain.

Britain is designed in this strategy as the principal American atom bomber base in Europe—the "unsinkable aircraft-carrier." For this purpose Britain is brought under American military occupation. American air bases and supply bases are spread over the face of Britain.

The following list of the main American air bases in Britain (some are still on the secret list) was given in the *Economist* of April 12, 1952:

Table 32

UNITED STATES AIR BASES IN BRITAIN, 1952

Bomber Bases	
EAST ANGLIA	Sculthorpe Lakenheath Mildenhall
OXFORDSHIRE AND GLOUCESTERSHIRE ..	Brize Norton Fairford Upper Heyford Greenham Common
KENT	Manston
Fighter Stations	
SUFFOLK	Shepherds Grove Bantwater
Supply and Maintenance	
LANCASHIRE	Burtonwood Sealand, Liverpool
Transit Camp	
DORSET	Shaftesbury
Headquarters	
HERTS	Ruislip Bushey Park

These are only the main bases. There were in all, according to the *Economist*, twenty-six American bases in Britain in April, 1952,

and 30,000 American troops. The American bomber force in Britain comes under the command of the Strategic Air Command in the United States.

These American bases in Britain are not bases for defence or for the protection of Britain. They are atom bomber bases, i.e. offensive bases. They are designed to use Britain as a jumping-off ground for dispatching atom bombs or other weapons of mass destruction against the countries of socialism and popular democracy. But the United States has no monopoly of the atom bomb. If the Soviet proposals for the prohibition and destruction of all atomic weapons continue to be rejected by the Western powers, and if the United States puts into operation its officially proclaimed strategy of using the atom bomb first, with Britain as the main launching base, then it is evident that retaliation must follow to destroy the launching base, and Britain would inevitably be the main target in such a war. The American bases in Britain, so far from representing a protection for Britain, place Britain in the deadliest danger.

This effect of the American atom bomber bases to place Britain "in the front line" of a future war has been openly admitted and even repeatedly emphasised by Mr. Churchill:

> THE PRIME MINISTER: What I have called the most formidable step taken by the late Government was the establishment in July, 1948, of the great and ever-growing American air base in East Anglia for using the atomic weapon against Soviet Russia should the Soviets become aggressors....
>
> I have on several occasions pointed out to the House the gravity of the late Government's decision and have quoted publicly the expression used in Soviet publications that our island has become an aircraft-carrier. Certainly we must recognise that the step then taken by the Leader of the Opposition places us in the front line should there be a third world war....
>
> MR. ATTLEE: We certainly agreed to the stationing of American bombers in this country as part of Atlantic defence, but it was never put forward specifically as a base for using the atomic bomb against Russia.
>
> THE PRIME MINISTER: That is the impression which, however misunderstanding, they (the Russians) seem to have derived.
>
> (House of Commons, December 6, 1951.)

Similarly in his broadcast on August 8, 1950:

> "By establishing the American bomber base in East Anglia we have placed ourselves in the front line of targets in the event of war."

And again in the House of Commons on July 27, 1950:

> "Two years ago the Government agreed that the Americans should establish bombing bases in East Anglia from which they could use the atom bomb on Russian cities and key points."

And again in the House of Commons on February 15, 1951:

> "We must never forget that by creating the American atomic base in East Anglia we have made ourselves the target, and perhaps the bull's-eye, of Soviet attack."

Along the same lines the Labour Government Minister, Mr. Dugdale, stated that England would become the "Malta" of a third world war:

> "In a future war the Atlantic would become like the Mediterranean was in the last war, with England taking the place of Malta."
>
> (J. DUGDALE, Parliamentary Secretary to the Admiralty, speech on March 9, 1949.)

To appease British alarms, the pledge was given by President Truman to Mr. Attlee, and subsequently in written form to Mr. Churchill, that the use of the American bases in Britain for purposes of war would be a matter for "joint decision" by the two Governments, i.e. that the British Government would have the honour of being "consulted" before the American bombers left British soil on their mission of death:

> "Under arrangements made for the common defence, the United States has the use of certain bases in the United Kingdom. We reaffirm the understanding that the use of these bases in an emergency would be a matter for joint decision by His Majesty's Government and the United States Government in the light of the circumstances prevailing at the time."
>
> (Truman-Churchill communique, January 9, 1952.)

However, the effectiveness of this pledge may prove very limited in practice, so long as the existing policy of the Atlantic War Alliance is maintained. A consideration of the governing factors point inescapably to this conclusion.

First, the experience of the workings of the North Atlantic Treaty Council and of the Anglo-American alliance have already indicated the extent to which United States influence is dominant in the "joint decisions."

Second, it is worth noting that the pledge of consultation is confined to the use of "these bases," i.e. the bases in the United Kingdom, and not to the use of the atomic weapon. This means that at any moment the United States could unloose an atomic world

war from bases outside the United Kingdom, with the result that in such an international situation the United Kingdom would be drawn in by the obligations of the Atlantic Alliance, and the use of the bases in the United Kingdom would automatically follow.

Third, the promised consultation may prove very much of a formality in the moment of emergency, if we are to trust the accompanying interpretations published in the American Press:

> "Consultation would be a matter of a telephone call as United States planes with atom bombs took off for targets."
>
> (*United States News and World Report,* December 21, 1951.)

Fourth, and most important, the entire United States strategy is openly based on launching an atomic offensive at the outset of a war—not as a weapon of retaliation in the face of an atomic attack, but to *use the atom bomb first.* This was the ground of the violent antagonism to the call of the Stockholm Petition, signed by over 500 million people, that the power which first used the illegal weapon of the atom bomb should be branded as a war criminal. During the first years after the war the United States and other Western powers professed to agree with the principle of the prohibition of the atom bomb as a criminal and impermissible weapon, and only to disagree with the details of the Soviet proposals for such a prohibition, and to advocate as an alternative the Baruch Plan for the monopoly ownership of all sources of atomic power and of atomic weapons in the hands of a Board independent of the United Nations and controlled by the United States. This pretext was later abandoned. It was openly declared that any proposal to prohibit atomic weapons represented an attempt to deprive the Western powers of their main weapon. United States strategy was stated by General Eisenhower to be based on using the atom bomb first, irrespective of whether it was used by any other power:

> "General Eisenhower said that he was concerned at the apparently growing opinion that the United States should never drop the atom bomb first. 'To my mind the use of the atom bomb would be on this basis: Does it advantage me or does it not, when I get into a war? If I thought the net gain was on my side, I would use it instantly.'"
>
> (GENERAL EISENHOWER'S evidence to the Senate Foreign Affairs and Armed Services Joint Committee, March 11, 1951, *Daily Telegraph*, March 13, 1951.)

Similarly President Truman:

> "I made up my mind that the best way to save the lives of those young men—and those of the Japanese soldiers—was to drop those bombs [on Hiroshima and Nagasaki] and end the

war. I did it. And I would say to you I would do it again if I had to."

(PRESIDENT TRUMAN, speech at Pocatello, May 10, 1950.)

"He would not hesitate to use the atom bomb if it were necessary for the welfare of the United States."

(PRESIDENT TRUMAN reported in *The Times*, April 8, 1949.)

Nor is the viewpoint of the legitimacy of the use of the atom bomb confined to American official quarters. It is equally reflected in British official quarters (thus rendering nugatory any illusion of protection through the pledge of "consultation"), and even in the most "respectable" and "Christian" quarters. Thus the Archbishops' Commission on "The Church and the Atom" reported in 1948:

"On the assumption that to-day the possession of atomic weapons is genuinely necessary for self-preservation, a government, which is responsible for the safety of the community committed to its charge, is entitled to manufacture them and hold them in readiness. The Commission, believes, moreover, that in certain circumstances defensive necessity might justify their use against an unscrupulous aggressor."

(*The Church and the Atom*: Report of a Commission appointed by the Archbishops of Canterbury and York at the request of the Church Assembly to consider the report of the British Council of Churches entitled "The Era of Atomic Power" and the report: Summary of Conclusions, No. 6.)

The Report further stated:

"Would the abandonment of atomic weapons by the peace-loving powers that possess them contribute anything to the success of a world order founded on justice? It is difficult to think that it would."

(p.106.)

It will be noted that this official clerical justification of the use of the atom bomb is not made subject to its being previously used by another power, but is a justification of using the atom bomb *first* as a "defensive necessity" against an "unscrupulous aggressor" (a definition which applies to the official account of all wars in which Britain has ever taken part). This is, of course, no new story. There is no social crime or wickedness through all the ages which the high prelates of the Christian Churches have not been in the front rank

to justify and uphold in the interests of maintaining class domination and the exploitation of man by man.

It was on the basis of this Archbishops' Commission Report that Mr. Attlee was enabled to tell the Americans, as recorded in the Forrestal Diaries (see pp. 523 and 491), that there was no division in the British public mind about the atom bomb and that even the Church in recent days had taken a positive view of its use.

It is therefore necessary for British opinion to recognise plainly that the present American strategy of the Atlantic Alliance carries with it the prospect of the unloosing of an atomic war from the American bases in Britain, with all the consequences that this would bring for Britain.

What would be the consequences of an atomic war for Britain? On this there is no question of the extreme vulnerability of this island.

> "If war should come, and, as seems inevitable in that event, widespread bombardment including atomic bombardment should follow, we have to face the possibility that our great cities will be reduced to smoking radio-active ruins and our people—at least those of them who survive—reduced to a standard of subsistence unknown since the dawn of civilisation."
>
> (DR. E. H. S. BURHOP, *The Challenge of Atomic Energy*, 1951, p. 76.)

> "As a result of a bomb exploded in the Thames, for example, a very great area of the docks and the City could be rendered uninhabitable for years as a result of contamination by radio-active spray."
>
> (*Ibid.*, p. 55.)

These warnings are not confined to scientists, but are expressed equally by military experts:

> "An advanced base is always an exposed spot. With ruthless candour American defence memoranda have described Britain as America's shock absorber in another war. The position of a shock absorber in the atomic and rocket age is a fatal one."
>
> (CAPTAIN LIDDELL HART, *Defence of the West*, 1950.)

In the current American official strategy, Britain is regarded as "expendable."

This prospective rolè and fate of Britain in the American War Plan has been set out with unquestionable precision in the U.S. Navy Department Memorandum, quoted by Professor Blackett in his *Military and Political Consequences of Atomic Energy* (1948, pp. 75-76):

"What is necessary to reach the target is a launching base relatively near the target—to put it literally, within five hundred miles.

". . . Under the conditions of war in which atomic bombs are available to a possible enemy, the importance of depriving the enemy of bases near one's own shore and preferably of acquiring and maintaining bases close to his territory remains as great as before. The logic supporting this proposition derives from the characteristics of atomic bomb carriers presently known or conceivable. . . . The outlying base, if properly placed, is also a tremendous advantage to the defence as a further measure of protection against long-range bombing aircraft. For such bases provide means cf advance protection and interception which greatly augments the obstacles to penetration of vital territories by attacking bombers. These bases may themselves be vulnerable to atomic bomb attack, but so long as they are there, they are not likely to be by-passed. In this respect the advanced base may be likened to the pawns in front of the king on a chessboard; meagre though their power may be individually, so long as they exist and the king stays severely behind them, he is safe."

"The King" is Wall Street. Britain is "the pawn." Such is the glorious outcome of the imperialist war strategy.

CHAPTER XII

LABOUR AND EMPIRE

"A people which enslaves another people forges its own chains."

KARL MARX.

THE survey of the present crisis of Britain and the British Empire leads straight to a peculiar problem. This problem is the heart of the present British political situation.

It is inescapable on any objective survey that the imperialist policies, which were so gaily proclaimed half a century ago as the path to prosperity and the triumphant alternative to socialism, have landed Britain in a morass, in a desperate economic situation, worsening conditions and lowered standards, subjection to American domination, costly and shameful colonial wars, and the prospect of a catastrophic atomic war.

Yet, if we examine the surface picture of British politics, as expressed in the official programmes of the two dominant major parties, there is no trace of any attempt to change the policies which have led to this ruinous outcome.

How is it possible that these disastrous and menacing policies of present-day British imperialism have up to the present been accepted with relative acquiescence by the majority of the British people, so far as their wishes are reflected through the major parties?

Why is it—as representatives of the colonial peoples often ask with justifiable indignation—that the masses of the British people, humane and progressive as they are in their outlook on all matters close to them, can permit such infamous actions to be perpetrated in their name as the brandishing of severed heads in the war in Malaya, the price of £30,000 on a patriot insurgent, the collective punishment of impoverished villages, the poisoning of food crops, the herding of hundreds of thousands behind barbed wire, or all the long record of brutality and barbarity in the colonial sphere?

Why has the outcome of a half a century of development of the Labour Party, which was founded by the pioneers of the socialist movement with the hope of establishing the instrument for the ending of capitalism and realisation of socialism, ended up to the

present in the frustration of the hopes of these pioneers, the practical acceptance of ruling-class policies, and indefinite postponement or even repudiation by the dominant leadership of the aim of socialism?

Why has the working-class movement of countries of much later capitalist development, and therefore with more recent origins of the working-class movement, been able to outstrip the country that was the cradle of the working-class movement, and completely clear out the domination of the big capitalists and landlords and take possession of the wealth of their country, while finance-capital and landlordism remain entrenched in Britain?

These are questions which go to the heart of the British political situation and of the modern development of the British labour movement. They lead straight to the central problem of the British labour movement and of British politics—the problem of Labour Imperialism.

1. *The Anti-Imperialist Tradition*

The true traditions of socialism and the working-class movement have always been anti-imperialist.

Chartism proclaimed its outlook on the colonial question in the declaration of the Fraternal Democrats in 1846:

> "There is no foot of land, either in Britain or the colonies, that you, the working class, can call your own....They, your masters, will take the land—they will fill all the higher situations, civil and military, of the new colonies—your share will be the slaughter of the combat and the cost of winning and retaining the conquest. The actual settlers on and cultivators of the soil, these are the rightful sovereigns of the soil, and should be at perfect liberty to choose their own form of government and their own institutions."
>
> (*Northern Star*, March 7, 1846.)

Similarly, Bronterre O'Brien wrote in 1838, on the occasion of a declaration of support for the Irish people, signed by representatives of 136 Chartist and workers' associations in England, Scotland and Wales:

> "Ireland has no possible means of extricating herself from the frightful state of destitution and bondage in which her oppressors hold her, without the assistance of the men of Great Britain. The converse of this proposition applies with almost equal force to the impoverished people in England and Scotland. ...Well, then, seeing that the productive classes of the two islands have the same wants and the same enemies; why should

they not look forward to the same remedy, and make common cause against the common oppressor?"

(BRONTERRE O'BRIEN, article on the "Address by the Radical Reformers of England, Scotland and Wales to the Irish people," *Operative*, November 4, 1838.)

George Julian Harney proclaimed the principles of working-class internationalism in 1846:

"I appeal to the oppressed classes of every land....to unite ....for the triumph of the common cause....The cause of the people in all countries is the same—the cause of labour, enslaved and plundered labour....In each country the tyranny of the few and the slavery of the many are variously developed, but the principle in all is the same....The men who create every necessity, comfort and luxury, are steeped in misery. Working men of all nations, are not your grievances, your wrongs, the same? Is not your good cause, then, one and the same also? We may differ as to the means, or different circumstances may render different means necessary, but the great end—the veritable emancipation of the human race—must be the one aim and end of all...."

(G. J. HARNEY, speech to the German Democratic Society for the Education of the Working Masses, *Northern Star*, February 14, 1846.)

Ernest Jones' *Revolt of Hindustan*, written in 1848-50 and republished in 1857, remains a classic of the democratic anti-imperialist tradition, with many passages of prophetic insight.[1] Of the Indian Revolt of 1857 he wrote:

"There ought to be but one opinion throughout Europe on the Revolt of Hindustan. It is one of the most just, noble and necessary ever attempted in the history of the world."

(*People's Paper*, September 5, 1857.)

Of the colonial system of the British Empire he wrote:

"On its colonies the sun never sets, but the blood never dries."

(*Notes to the People*, May, 1851.)

1 This same poem contains a very striking prediction of the future militarist and expansionist role of capitalist democracy in the United States, with its foundation in the subjection of the Negro:

"But, when thy natural limits once possessed
Thou too shalt seek to colonise a west,
Round coral girt Japan thy ships shall fly
And China's plains behold thine armies die."

Ernest Jones, who had the advantage of contact with Marx and Engels, reached an understanding of the political importance of an alliance between the peoples of a ruling country and of a subject country, and the firm recognition that the division between the two is the key to their common oppression. In an Address "To the Men of Ireland" in 1856 he wrote:

> "Such a division has existed between the Irish and English nations—and to that division Ireland owes its sufferings—the English people owe their political and social serfdom. Irish bayonets were massed in England to coerce the British; Saxon bayonets were ranged in Ireland, to coerce the Celt—and mutual animosities and hatreds were the result. Nay! our mutual oppressors made their own iniquities their safeguard. Men of Ireland! *our* rulers, who oppressed *us*, oppressed you—and you hated us for that which should have made you sympathise with us and hate them!"

In vivid words, which have their significance to-day for the relationship of British and Malayan or British and African working people, he described the common oppression and sounded the call to the common struggle:

> "Grievously, indeed, has Ireland suffered at the hands of England, but who inflicted that suffering? Was it the English people? Never! Those who slew you at Rathcormac, slew us at Peterloo; those who imprisoned you in the DUBLIN Newgate, imprisoned us in the LONDON one. Those who passed the curfew laws for you, passed the six-acts for us. Those who robbed you of your lands robbed us as well. Those who ejected the cottar in Ireland, created the pauper in Great Britain....
>
> "Brothers in suffering, fellow soldiers in resistance! Your foes are our foes, your oppressors are our oppressors, your hopes are our hopes, your battle is our battle."

(*People's Paper*, March 8, 1856.)

This tradition of working-class internationalism and anti-imperialism was carried forward through the participation of the British working-class movement in the First International, or International Working Men's Association, and its support for the Irish national liberation movement.

The re-birth of socialism in Britain during the 'eighties was accompanied by a renewed intensity of the anti-imperialist fight. The pioneers of modern socialism in Britain began their work in the period when the former industrial world monopoly had begun to weaken, and when the violent aggressive and expansionist tendencies of the so-called "new imperialism," most prominently associated with Chamberlain and Rhodes, but already initiated

under Disraeli and Gladstone's second ministry, were dominating the political scene.

Inheriting the old radical tradition, and with the teachings of Marx and Engels to guide it, the early socialist movement of the 'eighties was vigorously anti-imperialist. The *Manifesto on the Sudan*, issued by the Socialist League in March, 1885, and signed by William Morris, Eleanor Marx Aveling, Bax and others, may be regarded as the first historic declaration of British Socialism against imperialism and its colonial wars. The *Manifesto* opened:

> "A wicked and unjust war is now being waged by the ruling and propertied classes of this country, with all the resources of civilisation at their back, against an ill-armed and semi-barbarous people whose only crime is that they have risen against a foreign oppression which those classes themselves admit to have been infamous. Tens of millions wrung from the labour of workmen of this country are being squandered on Arab slaughtering; and for what: (1) that Eastern Africa may be 'opened up' to the purveyor of 'shoddy' wares, bad spirits, venereal disease, cheap Bibles and the missionary; in short, that the English trader and contractor may establish his dominion on the ruins of the old simple and happy life led by the children of the desert; (2) that a fresh supply of sinecure Government posts may be obtained for the occupation of the younger sons of the official classes; (3) as a minor consideration may be added that a new and happy hunting ground be provided for military sportsmen, who, like the late lamented Colonel Burnaby, find life boring at home and are always ready for a little Arab shooting when occasion arises. All these ends determine the dominant classes, though in different proportions, to the course they are pursuing."

The conclusion declared:

> "We ask you to consider who it is that have to do the fighting on this and similar occasions. Is it the market-hunting classes themselves? Is it they who form the rank and file of the army? No! but the sons and brothers of the working classes at home. They it is who for a miserable pittance are compelled to serve in these commercial wars. They it is who conquer for the wealthy, middle and upper classes, new lands for exploitation, fresh populations for pillage, as these classes require them, and who have, as their reward, the assurance of their masters that they are 'nobly fighting for their Queen and country.'"

Nor was this anti-imperialist outlook confined to the Marxist socialists who initiated the modern socialist movement in Britain. It was common to all sections of the working-class socialist move-

ment (the Fabians, representing the liberal middle class outlook, remained apart, and later became the channel of imperialist influence). Anti-imperialism was at first equally expressed by the later more vague and emotional schools of socialism which developed after the initial impulse given by Marxism.

Keir Hardie fought the corruption of Fabian Imperialism at the time of the South African war and wrote:

> "In the transition stage from commercialism to socialism there must be much suffering....A great extended Empire lengthens the period required for the change, and thus prolongs the misery, and it follows that the loss of the Empire would hasten the advent of socialism. The greater the Empire, the greater the military expenditure, and the harder the lot of the workers. Modern imperialism is in fact to socialists simply capitalism in its most predatory and militant phase."
>
> (Quoted in *The Life of Keir Hardie,* by William Stewart.)

In 1907 the old Socialist International at its Congress at Stuttgart adopted its resolution on the colonial question (after a sharp controversy against the revisionists who advocated compromise with imperialism in the name of a so-called "socialist colonial policy"):

> "The Congress declares that capitalist colonial policy in its innermost essence of necessity leads to the enslavement, forced labour or extermination of the native population of the colonised areas. The civilising mission which capitalist society professes serves only as a cover for the thirst for exploitation and for conquest. Only socialist society will first offer all nations the possibility of full cultural development."

The close association of the militant working-class and socialist movement with anti-imperialism has continued to be demonstrated, also in the post-1914 period of open Labour Imperialist domination of the official leadership and policy, in all periods of heightened militancy.

In 1925 the Trades Union Congress at Scarborough adopted the following resolution by 3,082,000 to 79,000 votes:

> "This Trades Union Congress believes that the domination of non-British peoples by the British Government is a form of capitalist exploitation having for its object the securing for British capitalists (1) of cheap sources of raw materials; (2) the right to exploit cheap and unorganised labour and to use the competition of that labour to degrade the workers' standards in Great Britain. It declares its complete opposition to imperialism

and resolves (1) to support the workers in all parts of the British Empire in organising trade unions and political parties in order to further their interests, and (2) to support the right of all peoples in the British Empire to self-determination, including the right to choose complete separation from the Empire."

These declarations embody the abiding anti-imperialist traditions of the working-class movement and socialism. Labour Imperialism expresses only the temporary corruption of an upper stratum, which holds back the advance of the movement and delays the victory of socialism.

2. *Labour Imperialism*

In nineteen hundred appeared a book entitled *Fabianism and the Empire*. This was the first manifesto of what came to be known as Fabian Imperialism. Its thesis was set out in the declaration:

> "The problem before us is how the world can be ordered by Great Powers of practically international extent, arrived at a degree of internal industrial and political development far beyond the primitive political economy of the founders of the United States and the Anti-Corn Law League. The partition of the greater part of the globe among such Powers is, as a matter of fact that must be faced, approvingly or deploringly, now only a question of time; and whether England is to be the centre and nucleus of one of those Great Powers of the future, or to be cast off by its colonies, ousted from its provinces, and reduced to its old island status, will depend on the ability with which the Empire is governed as a whole."

The conclusion from this analysis was ruthlessly drawn in the interest of Western imperialism, presented as "international civilisation":

> "The State which obstructs international civilisation will have to go, be it big or little. That which advances it should be defended by all the Western Powers. Thus huge China and little Monaco may share the same fate, little Switzerland and the vast United States the same fortune."

On the basis of this thesis the leaders of Fabianism supported the mission of Chamberlain, Milner and British High Finance in the predatory South African War as representing the supposedly "progressive" aim of the incorporation of a backward smaller unit in a more advanced larger unit.

"The majority of the Society recognised that the British Empire had to win the war."

(E. R. PEASE, *History of the Fabian Society*, revised edition, 1925, p. 128.)

At the time this open adoption of imperialism by a professedly "socialist" body—even though only a very tiny middle-class group of 800 members, with no basis in the working class—aroused an outcry of indignation throughout the working-class and socialist movement. Ramsay MacDonald (later to be distinguished by the violence of his Government's repressive measures in India, Burma and Iraq), G. N. Barnes (later to become a member of Lloyd George's War Cabinet), Mrs. Pankhurst (later to found the ultra-jingo "Women's Patriotic Union") and others resigned from the Fabian Society as a protest. Yet in fact Fabianism, as in most of its work, was only expressing and setting out in black and white with shameless clarity the outlook and policy of the special relatively privileged social strata (administrative civil servants, professional and salaried groupings, and the upper levels of the labour bureaucracy) closely allied with the ruling capitalist class in the new conditions of development towards state monopoly capitalism and imperialism. It is symptomatic of this relationship that Sidney Webb, the founder of Fabianism, was originally an official of the Colonial Office.[1]

Already in the nineteenth century Marx and Engels had shown how the key to the special character of the British Labour Movement lay in the world monopoly and colonial monopoly of British capitalism (see Chapter IV, § 3, on the "Outcome for the British Labour Movement," p. 62-3). They showed how a "small privileged minority" of the working class and its leadership was corrupted by sharing in the spoils of Britain's world monopoly, and how this was the economic basis of the "liberal-labour" politics of alliance with capitalism and opposition to socialism—what Engels referred to as the "bourgeois labour party." Against this acceptance of capitalist politics and alliance with capitalism the early socialists, like Tom Mann and Keir Hardie, strove to wage a tireless fight, and met with the same vilification and opposition from the older "Lib.-Lab." leadership, as the Communists receive to-day in their similar fight at the hands of the leaders of Labour Imperialism.

"Neither Marx nor Engels lived to see the imperialist epoch of world capitalism which began not earlier than 1898-1900. But already in the middle of the nineteenth century, the

1 In his later years, Sidney Webb revised his former views in the light of experience. (see p. 397.)

peculiar feature of England was that it revealed at least *two* of the outstanding characteristics of imperialism: (1) vast colonies; (2) monopoly profit (due to a monopolistic situation on the world market). In both respects the England of that time was an exception among the capitalist countries; but Marx and Engels, analysing that exception, clearly and definitely indicated its *connection* with the (temporary) victory of opportunism in the English labour movement."

(LENIN, *Imperialism and the Split in Socialism.*)

Lenin and Stalin carried forward this analysis in the twentieth century and gave close attention to the special characteristics of the labour movement in Britain. They showed how in the era of imperialism the old Labour Reformism had ripened into Labour Imperialism—the open alliance of reformism with imperialism.

"On the one hand, there is the tendency of the bourgeoisie and opportunists to convert a handful of the richest, privileged nations into 'eternal' parasites on the body of the rest of mankind, to 'rest on the laurels' of the exploitation of Negroes, Hindus, etc., by keeping them in subjection with the aid of the excellent technique of destruction of modern militarism. On the other hand, there is the tendency of the *masses* who are more oppressed than formerly and who bear the brunt of the misfortune caused by imperialist wars, to throw off that yoke, to overthrow the bourgeoisie. The history of the labour movement will from now on inevitably develop as the history of the struggle between these two tendencies: for the first tendency is not accidental, it is 'founded' on economics. The bourgeois has already begotten, nurtured, secured for itself 'bourgeois labour parties' of social chauvinists in *all* countries. ....The important thing is that the economic desertion of a stratum of the labour aristocracy to the side of the bourgeoisie has matured and become an accomplished fact. And this economic fact, this change in the relations between classes, will find political expression in one form or another without much 'difficulty.'

"On the economic basis referred to, the political institutions of modern capitalism—press, parliament, trade unions, congresses, etc.—created *political* privileges and sops for the respectable, meek, reformist and patriotic office employees and workers, corresponding to the economic privileges and sops. Lucrative and easy berths in the Ministries or war industries committees, in Parliament and on various commissions, on the editorial staffs of 'respectable' legal newspapers, or on management boards of no less respectable and 'bourgeois, law-abiding' trade unions—these are the means with which the imperialist

bourgeoisie attracts and rewards the representatives and adherents of the 'bourgeois labour parties.'"

(LENIN, *Imperialism and the Split in Socialism.*)

This was written before the creation of the new "super-aristocracy" of the Labour movement serving with Tories and big monopolists on the Boards of "nationalised" industries, Colonial Development schemes, etc., on a level of salaries and emoluments equivalent to Big Business directors, and thus carrying forward the process described by Lenin to a scale undreamed of in his day.

The economic basis of Labour Imperialism thus lies in the temporary superior privileged conditions of a section of the working class and its leadership sharing in a fragment of the super-profits obtained from the exploitation of the vast mass of the workers on a world scale, and especially of the impoverished and heavily exploited colonial and semi-colonial peoples. This provides the economic basis for the alliance of this section with the ruling capitalist class to hold down the impoverished unprivileged majority.

This relationship is most clearly and sharply expressed in the gulf between the conditions of white workers and colonial workers in a colonial country. Thus on the North Rhodesian copper belt in 1946 there were 31,000 African and 3,400 white miners and employees. The African miner's cash wage averaged £46 for the year, while the average white worker in the mining industry earned £920, or twenty times as much.[1] The white workers secured an agreement with the mining companies which debars Africans in practice from all skilled and much semi-skilled work.

Here the division of the working class is open and unconcealed. The narrow organisations of the privileged white labour aristocracy strive tenaciously to maintain their position from being swamped and undercut by cheap colonial labour, and so uphold policies which find expression in the colour-bar or such slogans as "White Australia." In consequence the resentment of the oppressed colonial workers is directed against the privileged white workers as the favoured allies of their oppressors. The monopolists are able to take advantage of this division in order to maintain their power and the exploitation of all the workers.

The political reflection of this colour-bar basis of labour organisation has been shown in an extreme form in the record of the South African Labour Party, which in 1911 helped to carry the Mining and Works Act, designed to impose restrictions on the grounds of colour in skilled occupations, and in 1924 combined with the reactionary racialist Nationalist Party to form a Coalition

1 National Income and Its Distribution in Under-Developed Countries, United Nations, 1951, p. 22.

Government under General Hertzog and helped to sponsor the Colour Bar Act.

In the metropolitan imperialist country the contrast between the relative privileged situation of the workers, and especially of the better-off upper sections of skilled workers, and the misery of the colonial masses is less obvious and open in daily life. The majority of the workers in an imperialist country share *unconsciously* in the exploitation—and for the vast majority, in a very small fragment of the exploitation—of the colonial peoples. The "plums" go to the upper section of the labour bureaucracy, who receive very direct material advantages ("lucrative and easy berths" associated with the operation of state monopoly capitalism, lavish payments from the millionaire press, and many "pickings," apart from direct corruption), and reach a standard bringing them socially close to the bourgeoisie. It is in this stratum that the alliance with the capitalist class reaches full consciousness and open theoretical expression in the shape of Labour Imperialism or Right-wing Social Democracy.

All the literature of Reformism—of the so-called "British School of Socialism" or "Evolutionary Socialism" or "Democratic Socialism" —without exception rests on the permanent assumption of the Empire. The vast overseas tribute income is taken for granted. The problem is seen as one of "distribution." Just as Churchill, when Chancellor of the Exchequer, openly proclaimed the social services to be based on the overseas investment income, so Reformism assumes the same permanent basis for its social services and proclaims the outcome as the "Welfare State."

When the instability and impermanence of this basis is revealed in Britain's deficit in the balance of payments, Reformism is thrown into a panic of impotence and bankruptcy, desperately turns to the conventional emergency measures of capitalism in crisis at the expense of the workers, and feverishly strives to rebuild the basis of empire tribute. This is the history in a nutshell of the Third Labour Government—the demonstration of the bankruptcy of Labour Imperialism.

To-day, in the era of the deepening crisis of the imperialist system, the function of Labour Imperialism or Right-wing Social Democracy takes on special importance.

The plans of imperialist policy and strategy are so directly contrary to the interests of the British people in the present situation, place such crushing burdens upon them, and hold out such menacing and destructive future prospects, that the task of winning support or acceptance for them from the mass of the working people can no longer be accomplished by the imperialist financial oligarchy alone—even with all their gigantic apparatus of control of the Press, radio, schools, etc.

A special agency is needed to reach into the heart of the work-

ing class movement and popular opinion, and to conceal or distort the realities of empire and the crisis and the policies being pursued behind popular-sounding or even "socialist" slogans.

This is the role of Labour Imperialism in the era of the crisis of the imperialist system. Right-wing Social Democracy has become in the present phase the main propagandist, and, when in office, executor of the colonial policies of imperialism.

Attlee and Bevin dispatching Spitfires and Gurkhas and Dyak head-hunters to spread massacre in Malaya; Blum crippling the French Budget in order to turn fire and sword against the freedom struggle of the Vietnam Republic—here is revealed the true picture of "democratic socialism" and "socialist humanism."

It will be necessary to examine more fully the current expressions of official Labour policy in the Empire in order to get closer to the essence of Labour Imperialism and its methods of covering imperialist practice with "socialist" phrases.

3. *Arguments of Empire*

In 1948 the former Editor of the *Daily Herald*, Mr. Francis Williams, who had occupied the position of Press Officer to Mr. Attlee as Prime Minister, published a study entitled *The Triple Challenge*, in which he sought to prove that the Labour Government of Mr. Attlee had represented a triple challenge: (1) to Tory economic policy; (2) to Tory foreign policy; and (3) to Tory colonial policy. Unfortunately for the author, the *Daily Telegraph*, the organ of Toryism, in reviewing the book, blandly stated that the last two at any rate were nonsense, since there was no difference in policy.

The outlook of "Social Democracy" or Labour Imperialism on the colonial question has found its current theoretical expression in such publications as *Fabian Colonial Essays* (1945), with contributions by A. R. Creech Jones, who became Colonial Secretary in the Labour Government, and others; Dr. Rita Hinden's *Empire and After* (1949); and the various pamphlets and booklets of the Fabian Colonial Bureau.

An elaborate attempt is made to construct a special "socialist colonial theory" and "socialist colonial policy."

Is there in reality a special Social Democratic colonial theory? An examination of the facts will show that the distinction has no solid foundations. Social Democratic colonial theory and policy is, in essence, identical with colonial theory and policy. It is the theory and policy of modern imperialism decked out with phrases to give it a "progressive" and "socialist" appearance.

The essential line of Social Democratic colonial propaganda is to declare:

(1) That capitalist exploitation and imperialism belong to the past and a new enlightened policy is now pursued in the colonies.

(2) Colonial policy is for the benefit of the colonial peoples and represents a civilising mission (*a*) to prepare them for self-government, (*b*) to assist their economic, social and cultural development.

(3) No tribute is taken from the colonies; the British Government pays out money for the benefit of the colonies, thus running them at a loss for philanthropic reasons.

All these lines of argument, which are the staple of official Labour Party propaganda on the Empire, are equally the staple of official Tory propaganda on the Empire. The eloquent pleas of Mr. Creech Jones and Mr. Griffiths, when in charge of the Colonial Office for the Labour Government, could be quoted word for word in almost exactly identical terms from the previous Tory Colonial Secretary, Mr. Stanley. It is, of course, always possible that the same senior civil servant wrote them. The arguments of Labour Imperialism and Toryism on the colonial question are in all essentials identical, with, at the most, occasional variations in phrasing to adapt the same line to different types of audience.

It is true that for polemical purposes, and especially at election times, the Labour Imperialists are accustomed to denounce "Tory Imperialism" as an "obsolete" "nineteenth-century" "Victorian" survival.

> "The Tory still thinks in terms of Victorian imperialism and colonial exploitation."
>
> (Labour Party Election Manifesto, October, 1951.)

Similarly, Mr. Morrison in his election broadcast in 1951, answering Mr. Churchill's criticism of his policy in Iran (where his original bellicose preparations and threats had been followed by a sudden retreat as soon as the United States refused support) made great play with the out-of-date outlook of Mr. Churchill in relation to the Empire as representing "the nineteenth-century mind" and equivalent to the Duke of Wellington caught in the hubbub of modern traffic. Unfortunately for this line of argument, the United States Ambassador in Iran at the time, Mr. Grady, writing subsequently in 1952 in the *Saturday Evening Post* on "What Went Wrong in Iran," roundly blamed Mr. Morrison's "Victorian" outlook in relation to the Empire, and stated that the British policy of Mr. Morrison as Foreign Secretary in relation to Iran—

> "springs from a colonial state of mind which was fashionable and perhaps even supportable in Queen Victoria's time, but is not only wrong and impractical to-day, but positively disastrous."

In this triangular contest of recrimination between twentieth-century imperialists, the pot indeed calls the kettle black, and the cauldron finds both sooty.

In this connection it is worth recalling what Engels said about ruling-class hypocrisy:

> "The more civilisation advances, the more it is compelled to cover the evils it necessarily creates with the cloak of love and charity, to palliate them or to deny them—in short, to introduce a conventional hypocrisy which was unknown to earlier forms of society and even to the first stages of civilisation, and which culminates in the pronouncement: The exploitation of the oppressed class is carried on by the exploiting class simply and solely in the interests of the exploited class itself; and if the exploited class cannot see it and even grows rebellious, that is the basest ingratitude to its benefactors, the exploiters."
>
> (ENGELS, *The Origin of the Family*, Ch. IX.)

A survey of the characteristic utterances of official Labour Party spokesmen on the Empire reveals that there are certain familiar themes which are repeated with wearisome iteration. These themes are, however, mutually inconsistent and contradictory—a sure sign that we are here in the realm of apologetics rather than of serious argument. To demonstrate this, it will be worth while to set out and illustrate the most typical themes.

Theme I: The "End of Imperialism": "There is no Imperialism"

This is the most familiar theme (it is, in fact, common also to the late General Smuts and Tory imperialists). As an illustration we may examine some of the characteristic utterances of Mr. Attlee or Mr. Bevin during the period of the third Labour Government.

On July 3, 1949, Mr. Attlee, Labour Prime Minister of Britain, delivered a speech at Manchester to attack the menace of Communism:

> "Let me give you another example of Communist hypocrisy. The Communists are fond of accusing the Labour Party of imperialism.
>
> "During these years we have had to face momentous decisions with regard to the British Commonwealth.
>
> "Burma decided that she wished to leave the Commonwealth. We were sorry, but we accepted that decision.
>
> "India and Pakistan wished to be free to govern themselves. ... We agreed and the change was effected. The same with Ceylon, which is now a full member of this great community of nations.

"Never before has there been such a handing-over of sovereignty freely given."

Within forty-eight hours of Mr. Attlee's declaration of the renunciation of imperialism, new Supplementary Estimates for £21 million were presented to an astonished House of Commons on July 5, 1949, to add to the already overburdened British Budget. These £21 million Supplementary Estimates included:

	£	
Malaya ..	6,000,000	(military operations extra costs)
Burma ..	11,250,000	(compensation to British monopolies)
Cyrenaica, Tripoli, Somaliland, Eritrea ..	1,500,000	
Borneo ..	600,000	(for the British North Borneo Co.)
Transjordan ..	500,000	(subsidy for King Abdullah and the Arab Legion)
Middle East ..	245,000	
Greece ..	145,000	(aircraft for Greek Government)
	£20,240,000	

Out of £21 millions Supplementary Estimates, additional to all that had been already voted, £20 million were required for the expenses of Empire and overseas military commitments in the most far-flung quarters of the globe. For a Power which is supposed to have abandoned imperialism the burdens of Empire appear to be still considerable.

Mr. Bevin, Foreign Secretary, addressed the National Union of Manufacturers on October 14, 1948, and proclaimed:

"We have ceased to be an Imperialist race; we dominate nobody." In the same speech he proceeded to outline his modest programme (report and italics from the *Daily Herald*):

"I believed and still believe that

"*If we can organise Western Europe with its direct connection with the Middle East,*

"*If we can use the great resources of our Colonial Empire in Africa,*

"*If we can work out co-operation with our great Dominion of South Africa,*

"*If we can arrange matters correctly with Pakistan and India,*

> *"If we can maintain a correct position in south-east Asia, and*
>
> *"If we can make our proper contribution to the revivification of China,*
>
> then with a little planning we somehow occupy the position of a great balancing factor as between East and West, and may provide the correct equipoise and the correct equilibrium for the maintenance of peace and prosperity in the world."

"The Middle East." "Our Colonial Empire in Africa." "Pakistan and India." "South-east Asia." "China." It is evident that the renunciation of imperialism must not be confused with isolationism or the abandonment of commitments all over the world.

Mr. Alexander, Minister of Defence, explained to the House of Commons on March 3, 1949, in greater detail the character of these commitments:

> "We have to cover risks, including Hong Kong and Malaya.
>
> "We have to think of the difficult position in the Middle East and the Mediterranean.
>
> "Our commitments in Greece have to be maintained...
>
> "We have to watch developments in East and West Africa, and in places as far apart as Honduras and in the extreme South."

In view of these commitments, it is not surprising that Labour Britain, having abandoned imperialism, in fact found it necessary to raise armaments expenditure (£1,131 million in 1951, as against £186 million in 1936) to more than six times the level, in money terms, or three times in value, of the pre-war Tory Government a decade and a half earlier, which was still maintaining the Empire. The "abandonment of imperialism" must evidently be understood in a Pickwickian sense.

Theme II: End of the "Old Imperialism": "There is no Exploitation"

This is a variant of the first theme. In the words of the *Labour Speaker's Handbook*: 1948-9:

> "In all the areas under our control we have abandoned the old type of capitalist imperialism."

Similarly at the Africa Colonial Conference in October, 1948, Mr. Herbert Morrison said:

> "We must wipe out the word 'exploitation.' It is no longer a question of capitalist exploitation or imperialism."

This was the same year 1948 in which—to illustrate Mr. Morrison's "wiping out" of "capitalist exploitation"—Rhokana Copper raised

its dividend for fortunate investors to 100 per cent., as against 60 per cent. in 1946. By 1950 Rhokana Copper dividends had risen to 120 per cent., and by 1951, including bonus, to the equivalent of 200 per cent.

However, let us do justice to Mr. Morrison. His ambitious programme is to "wipe out the *word* 'exploitation'." He wishes to relegate the ugly *word* to the museum of the bad old past. Of course the reality of capitalist exploitation and imperialism continues to exist, and also of violent warfare against the colonial peoples which was being conducted by Mr. Morrison and his colleagues with tanks and bombers and the burning down of villages at the same time as he was speaking of the end of imperialism.

Theme III: "Jolly Old Empire" and the Maintenance of Empire

On other occasions the same Labour Government Ministers have been no less concerned to proclaim aloud their devotion to the non-existent Empire and their determination to maintain it. Thus Herbert Morrison announced in January, 1946:

> "We are great friends of the jolly old Empire and are going to stick to it."

These words, almost exactly echoing the famous "We love our Empire" declaration of J. H. Thomas in the First Labour Government, caused no little distress to the imperialist philanthropists of the Fabian Colonial Bureau, who issued a disclaimer under the signatures of their Chairman and Secretary:

> "It makes a travesty of our work, a mockery of our sincerity and a hypocrisy of our professions, if the policy of the Labour Party is to be judged by these irresponsible words of Herbert Morrison. We hope Mr. Morrison will find the opportunity of putting the world right on this speech of his, and not undermine the backbreaking work the rest of us are putting in, in order to convince millions of hostile and suspicious Indians and Africans that we are not all hypocrites and liars."

(*New Statesman and Nation*, January 19, 1946.)

Not the deeds, it will be noted, of imperialist suppression and exploitation arouse the protests but only the inconveniently downright words which make difficult the "backbreaking" task of whitewashing imperialism or striving to hoodwink "millions of hostile and suspicious Indians and Africans."

Theme IV: The "Sacred Trust" and the "Civilising Mission"

The "backbreaking" task of the philanthropic apologists of empire requires different methods to justify the maintenance of the empire than the crude "We love our Empire" or "Jolly Old Empire" slogans of a Thomas or a Morrison.

For their use the alternative line of the "White Man's Burden," already familiar in Tory imperialist propaganda, has been devised. In answer to anti-imperialist critics, it is insisted that it would be a crime and retrograde step to "throw off" the Empire (i.e., liberate the colonial peoples), since this would mean to "betray the trust" which these dependent backward peoples place in their benevolent British protectors. Thus Mr. Creech Jones, who later became Labour Colonial Secretary, wrote in his Introduction to *Fabian Colonial Essays* in 1944:

> "Socialists....cannot stop their ears to the claims of the colonial peoples and renounce responsibility towards British territories because of some sentimental inclination to 'liberation' or internal administration. To throw off the colonial empire in this way, would be to betray the peoples and our trust....
>
> "Colonies must therefore be the avowed concern of Socialists. It matters little how they were acquired, the predatory and possessive character of imperialism in the past, or indeed, the ugly episodes and exploitations many of them experienced in the past."

Observe that imperialism always belongs to the past.[1] He admits that it is difficult to make a distinction between this policy and the policy of Tory Imperialism:

> "The dividing line between socialists and others is often blurred in the constructive work being done on colonial policy to-day."

But he triumphantly concludes:

> "Escapism into the philosophy of Lenin or socialist monasticism will not bring better nutrition or the rearing of cattle in the tsetse forest belt."

Here the very system which entails the plunder of the resources of the colonial peoples, the degradation of their standard of life, and the prevention of economic development, is solemnly held up as the "constructive" alternative to the Leninist policy which in a generation has enabled the formerly most backward Central Asian peoples to advance to the highest levels of industrial and cultural development on a basis of complete equality and freedom.

1 A charming example of this relegation of imperialism and exploitation to "the past" may be quoted from an article by Gilbert McAllister in the official Labour organ, the **Daily Herald**, in 1949:

"It may be that in the course of fifty years there has been, here and there, an isolated case of exploitation of the African native....

"We have no right to allow British ex-Servicemen to invest their capital in buying a farm in Kenya if after twenty years any British Government is going to yield to a specious plea of Africa for the Africans." (**Daily Herald**, June 9, 1949.)

On this sanctimonious cant of the "civilising mission" and "trustee's role" of the European conquerors, it is sufficient to bear in mind that in ordinary legal relations a "trustee" who appropriated to himself the best land, the best mineral and natural resources, the best jobs, the best education and medical services, and at the same time pocketed a colossal annual fortune from his "ward's" estate, and lived lavishly on the proceeds, while leaving his "ward" in abject poverty and deprivation of the most elementary needs, would be speedily sent to prison as a fraudulent trustee.

Theme V: The Old Labour Imperialist Line: "Empire is Essential for the Economic Interests of the British Workers"

Simultaneously with the proclamations of the philanthropic aims of the Empire, the practical aims of economic exploitation constantly protrude in official Labour speeches, and used to be most openly brought out in the declarations of such an outspoken Labour Imperialist as Ernest Bevin.

The most brutal assertions of the traditional classic outlook of Labour Imperialism, directly identifying the economic interests of the working class in the metropolitan imperialist country with the maintenance of colonial exploitation, are to be found in the speeches of Ernest Bevin. Thus he proclaimed in Parliament on February 21, 1946:

> "I am not prepared to sacrifice the British Empire, because I know that if the British Empire fell... it would mean that the standard of life of our constituents would fall considerably."

And again in his speech to Parliament on May 16, 1947, with reference to British interests in the Middle East:

> "His Majesty's Government must maintain a continuing interest in that area if only because our economic and financial interests in the Middle East were of vast importance to us.... If these interests were lost to us, the effect on the life of this country would be a considerable reduction in the standard of living.... British interests in the Middle East contributed substantially not only to the interests of the people there, but to the wage packets of the workpeople of this country."

Herein is revealed the classic outlook of Labour Imperialism, as long ago analysed and exposed by Marx and Lenin.

The fallacy of this line of argument, based on a shameless appeal to supposed economic self-interest to maintain higher standards on the backs of exploited and poverty-stricken colonial peoples, is sufficiently demonstrated in Britain's present crisis. In place of economic advantage and higher standards, the cost of maintaining the Empire of domination and exploitation is imposing on the

masses of the British people ever heavier burdens of taxation, higher prices and lowered standards, colonial wars and the menace of a new world war.

The same Ernest Bevin, who boasted so grandiloquently of imperialism as the basis of the superior standard of living of the British people, also and at the same time, as in his speech to the American Legion at the Savoy Hotel on September 10, 1947, pledged his efforts to his American masters to *reduce* the standard of living of the British people in the sacred cause of maintaining imperialism:

> "My dear Americans, we may be short of dollars, but we are not short of will. . . . We won't let you down.
>
> "Britain is a great bastion in Europe. Our Western civilisation cannot go unless Britain falls—and Britain will not fall.
>
> "Standards of life may go back. We may have to say to our miners and to our steel workers: 'We can't give you all we we hoped for. We can't give you the houses we want you to live in. We can't give you the amenities we desire to give you.' But we won't fail."

Herein is expressed the inherent *contradiction* of the arguments of the Labour Imperialists in the period of the crisis of the imperialist system.

In these five main lines of mutually inconsistent and contradictory argument we see the familiar propaganda of Labour Imperialism.

4. *Bankruptcy of Labour Imperialism*

Labour Imperialism developed first in Britain in the form of Fabian Imperialism. Its earliest open and fully conscious expression may be dated from the appearance of *Fabianism and the Empire* in 1900, although the foundations had already been laid in the nineteenth century. Thus Labour Imperialism has developed continuously and in close association with the imperialist era, that is, during the twentieth century.

Herbert Morrison has described the change in the attitude of the upper leadership of the reformist labour movement towards the empire during this half century, from the days of "thirty or forty years ago" (he was speaking in 1943) when as a lad he picked up the current traditions of socialist anti-imperialism which he proudly claims to have outgrown. Speaking to the Anglo-American Press Association on October 6, 1943, in answer to critics of the British Empire, he said:

> "The point of view of the genuine critics is very like that of our own Liberals and Labour men thirty or forty years ago.

> I think of the anti-imperialist tirades and exposures of John A. Hobson, of Henry Noel Brailsford, or for that matter of David Lloyd George in the Boer War and afterwards. The ideology, the high-minded emotion, the sympathetic recoil at the very mention of words like Empire and Imperialism—these are things with which I grew up, and which to a considerable extent I shared. This helped me and many other Labour men who believe in the British Empire to understand our critics to-day.
>
> "They think that the very idea of an Empire is out of date. The only mild retort that I would make is that their idea of an Empire certainly is. They are idealists and they profoundly believe that their political ideas are thirty or forty years in advance of the British Empire. I think their political information is thirty or forty years behind it. Every community in the British Empire capable of exercising self-government has had it."

It will be noted that this full acceptance of imperialism ("Labour men who believe in the British Empire") was made in 1943, *before* the advent of the Labour Government of 1945 and its supposed "new era" of the "end of imperialism," under a Government still dominated by Toryism. The change, according to Mr. Morrison, between 1943 and "thirty or forty years ago," was a change in the character of the colonial system. It is possible that less kind critics would find that the change was a change in the outlook and political position of Mr. Morrison and his colleagues.

But the twentieth century imperialist era, within which Labour Imperialism has developed, is the era of capitalist decline, of decaying capitalism, of dying capitalism, breaking out into the general crisis of capitalism. Hence Labour Imperialism has been from the outset tied to a sinking ship. Herein lies the essential contradiction and increasingly manifest bankruptcy of Labour Imperialism. Professing to represent a new enlightened outlook and vision for progressive advance and prosperity on the basis of the Empire, it has had in practice to become the representative and apologist for imposing ever heavier burdens, sacrifices and privations upon the working people alike in Britain and in the colonial countries, for an unprecedented arms race, for violence and colonial wars and world wars, for horrors without equal.

Already during the first decade and a half of the century, preceding 1914, the burdens of imperialism were making themselves felt in the rising cost of living, the arms race and the preparation of the first world war.

During this period the outlook of Labour Imperialism, originating in Britain, began to manifest itself and extend its influence in the leading circles of all the social democratic parties of the imperialist countries of Western Europe. In Britain the offensive of Fabian

Imperialism was openly conducted against Marxism, that is, in fact for monopoly capitalism against socialism. In the other countries of the old Second International, where Marxism was more strongly established, the corresponding offensive was conducted in the form of "Revisionism," that is, nominally for the "revision" of Marxism. But the leader of the revisionist offensive, the German Social Democrat, Bernstein, had in fact learned his arguments in London at the feet of Sidney Webb, the founder of Fabianism.

Reformism or revisionism, that is, the representative of imperialist penetration and corruption in the labour movement, conducted its offensive in the old pre-1914 Second International in favour of support of the colonial system. The German Right-wing Social Democrat, David, declared:

> "Europe needs colonies. She does not even have enough. Without colonies, from an economic point of view, we should sink to the level of China."

The controversy on the colonial question came to a head at the International Socialist Congress at Stuttgart in 1907; and it was at this Congress that David made the above brutally frank and shameless statement for the possession of colonies as an "economic" necessity for the workers of the rich imperialist countries, on precisely the same lines as the corresponding more recent declarations of Ernest Bevin on behalf of the Third Labour Government.

At the Stuttgart Congress a resolution was introduced by the advocates of a "socialist colonial policy," that is by the Labour Imperialists, declaring:

> "The Congress does not in principle and for all time reject any and every colonial policy, which under a socialist regime could work as a civilising influence."

Needless to say, this resolution, which half a century ago anticipated the "new discoveries" of Mr. Herbert Morrison, Mr. James Griffiths and the Fabian Colonial Bureau, was ardently supported by Ramsay MacDonald. But the fight, led by the Bolsheviks and the revolutionary Marxists of all countries, against this betrayal of socialism and the colonial peoples, was victorious at the Congress. The final resolution of the Stuttgart Congress of the Socialist International, which was in the end adopted unanimously, with one abstention, explicitly and without qualification condemned all "capitalist colonial policy" as leading to "the enslavement, forced labour or extermination of the native population of the colonised areas," rejected the false conception of a so-called "socialist colonial policy" within capitalist society, and repudiated the advocacy of the supposed "civilising mission" of the colonial system as "only a cover for the thirst for exploitation and for conquest" (see p. 271 for the text of the main section of this resolution).

The anti-imperialist principles of international socialism were thus still victorious and accepted with formal unanimity in 1907. But in practice the corruption of imperialism was already penetrating the majority of the leading circles of the old Social Democratic Parties. Marxism was accepted in words. In practice the old Second International was confined mainly to the imperialist countries and their satellites, and made no attempt to link up the fight of the working class with the colonial revolution. As Stalin declared:

> "In the era of the Second International it was usual to confine the national question to a narrow circle of questions relating exclusively to the 'civilised nations.' The Irish, the Czechs, the Poles, the Finns, the Serbs, the Armenians, the Jews and a few other European nationalities—such was the circle of non-sovereign peoples whose fates interested the Second International. The tens and hundreds of millions of the Asiatic and African peoples suffering from national oppression in its crudest and most brutal form did not as a rule enter the field of vision of the 'Socialists.' The latter did not venture to place the white peoples and coloured peoples, the 'uncultured' Negroes and the 'civilised' Irish, the 'backward' Indians and the 'enlightened' Poles on one and the same footing. It was tacitly assumed that although it might be necessary to strive for the emancipation of the European non-sovereign nationalities, it was entirely unbecoming for 'decent socialists' to speak seriously of the emancipation of the colonies, which were 'necessary' for the 'preservation' of 'civilisation.' These apologies for socialists did not even suspect that the abolition of national oppression in Europe is inconceivable without the emancipation of the colonial peoples of Asia and Africa from the oppression of imperialism, and that the former is organically bound up with the latter."
>
> (STALIN, *Marxism and the National and Colonial Question*, pp. 111-12.)

This system of the old Second International, of Labour Imperialism, reached its bankruptcy and collapse in the imperialist world war of 1914. This was the first major, plain and already decisive demonstration of the bankruptcy and fatal outcome of Labour Imperialism.

The old Second International, having surrendered to imperialism, went to pieces. The main forces of the international socialist movement went forward to build the Communist International which was formed in 1919.

The Communist International corrected the errors and deficiencies of the old bankrupt Second International, and established for the first time an international union of workers without distinction

of race or colour. For the first time the unity of the struggle of the working class in the "advanced" imperialist countries with the national liberation struggle of the colonial peoples received full recognition equally in theory and in practice.

In the surviving imperialist countries of Western and Central Europe and America after the first world war, following the defeat of the working class revolutionary struggles and the restoration of a weakened and unstable capitalism and imperialism, the remnants of Right-wing Social Democracy gathered together again to found the inter-war Second International or so-called "Labour and Socialist International," established at Hamburg in 1923. This broke up before the assault of fascism and finally collapsed in the second world war. Through the experience of the common struggle against fascism a number of the socialist parties within it moved over to co-operation with Communism and to unification with the Communist Parties.

After the second world war, the surviving still more limited and restricted remnants of Right-wing Social Democracy, in the now further diminished imperialist world, came together anew to found the Frankfurt International in 1951, with its orientation openly turned to American imperialism.

The deepening bankruptcy of Labour Imperialism in the period of the general crisis of capitalism and of the imperialist system has been demonstrated in the experience of the three Labour Governments.

The first Labour Government of 1924 conducted the Cawnpore Conspiracy Trial against the Communist Party of India and carried out the air-bombing of Iraq. After the failure of an attempted Communist prosecution in Britain (whose withdrawal was enforced by the pressure of the working-class movement), and MacDonald's scandalous handling of the Zinoviev forgery to stoke up the anti-Soviet campaign, it handed over to Toryism at the end of nine months.

The second Labour Government of 1929-31 carried forward the Meerut Conspiracy Trial against the Communist Party and trade union leadership of the Indian working class, organised mass arrests in India of 60,000 to suppress the Civil Disobedience campaign of the National Congress, and crushed the Burma revolt with bloodthirsty violence. The second Labour Government collapsed ignominiously in the world economic crisis and gave way to Toryism. The principal leaders of Labour Imperialism, represented by MacDonald, Snowden and J. H. Thomas, passed over openly into the Tory camp. In the sight of all sections of the labour movement, which had previously accepted the leadership of MacDonald, Snowden and Thomas, Labour Imperialism was revealed as open betrayal of the working class. The remaining lesser Labour Imperialist leadership, represented by the Attlees,

Morrisons, etc., who continued in practice with the same policies as MacDonald—after a short period of confused "socialist" and "pacifist" phrasemongering to appease the anger of the workers—could only endeavour to cover up the lesson of that betrayal by treating it as a purely accidental "individual" betrayal by the principal leaders of the Labour Party, instead of as the outcome of a political system. They could not face the political lesson of that betrayal as the outcome of Labour Imperialism, since they were continuing to practise the same policy themselves.

This was the second major demonstration of the bankruptcy of Labour Imperialism, after 1914.

The third Labour Government of 1945-51 excelled the two previous Labour Governments, equally in the hypocrisy of its professions of a "new era" and the "end of imperialism," and of its noisy proclamations of a "civilising mission" of "development and welfare" in the colonies, and in the violence and brutality of its military measures of suppression and colonial wars against the liberation struggles of the colonial peoples.

Every measure of enforced retreat or manoeuvre on the part of a weakened imperialism, as in the replacement of direct rule in India by an alliance with the most reactionary exploiting sections against the Indian people and for the protection of imperialist monopoly interests, was presented as the fruit of a new enlightened outlook and the "renunciation of the old imperialism."

Simultaneously the same Government conducted the most savage and barbarous colonial war of modern times in Malaya, involved Britain in a ruinous deficit through costly overseas military commitments, sold out Britain to the United States as an atomic war base, and inflicted heavy economic hardships and worsened standards on the British people to pay for rearmament.

While boasting lavishly of projects of "development" and "welfare" for the colonial peoples (fraudulent labels taken over directly from previous Tory legislation and administration to cover policies of "steal a pound and give a penny for charity"), the Attlee Labour Government intensified colonial exploitation more heavily than any preceding Government of any political colour. This intensified exploitation was demonstrated in the more than doubling of the frozen sterling balances of the dependent overseas territories from £446 million at the end of 1945 to £908 million by June, 1951—an increase of £462 million in five and a half years, representing goods taken by the "trustee" from the defenceless "ward" without current payment.

In proportion as Britain's crisis deepened, as a result of the Government's spendthrift imperialist war policy, the programme of the Attlee Labour Government to meet Britain's growing economic deficit and difficulties, became more and more openly based on plans to increase the colonial plunder. Thus the Government's

Four Year Economic Plan for 1949-53, submitted to the Marshall Plan organisation ("Organisation for European Economic Co-operation") in December, 1948, directly set the aim of building economic recovery and balancing Britain's deficit on the basis of intensified colonial exploitation. "The plans described," the Report declared, "contemplate *a large increase in the contribution of the Colonies to European recovery.*"

How much of "a large increase" was sufficiently evident from the accompanying Tables submitted in the document, which indicated the plans for increased output of typical colonial raw materials.

Table 33

OUTPUT FIGURES AND PLANS FOR COLONIAL RAW MATERIALS
(*in thousand metric tons*)

	1936	1946	1952-3 (*forecast*)	*Planned increase on* 1946 *Per cent.*
Sugar	980	895	1,400	56
Rubber	400	435	830	90
Tin	78	27.5	94.5	243
Copper	158	202	356	76

Thus rubber was to be brought to more than double the pre-war level; tin was to be brought to more than three times the level of 1946; and copper to more than double pre-war. It was further stated that oil production of British companies was to reach by 1953 "double the 1947 output."

Most striking in this Four-Year Plan for *Britain's* "economic recovery" was the assumed increase in "invisible earnings." "Net invisible earnings," the document declared, "are expected to make a very large contribution." The accompanying table illustrated the extent of this "very large contribution."

Table 34

NET INVISIBLE EARNINGS
(£ *million*)

1947 (*Current prices*)	1948-9	1952-3 (*Programme prices*)
—193	+35	+263

(*Economic Co-operation: Memoranda submitted to the O.E.E.C. relating to Economic Affairs in* 1949-53: 1948, Cmd. 7,572, p. 41.)

Thus between 1948-9 and 1952-3 net invisible earnings were to be multiplied over sevenfold. Such was the simple method of

"solving" Britain's deficit—on paper (though even these contributions still finally left a dollar deficit, which, the document cheerfully declared, could be covered by "the dollar earnings of the rest of the sterling area"—once again the colonial empire).

These rapacious plans for solving Britain's economic problems on the basis of intensified colonial exploitation could not exorcise the crisis. It returned in intensified form in the devaluation crisis of 1949. While the temporary soaring rise in the price of colonial raw materials, as a result of American stockpiling and the Korean war, brought about a short-lived surplus of the balance of payments of the sterling area during 1950 and the first half of 1951—which was promptly hailed by the propagandists of the Labour Government as a triumph of "socialist recovery"—this surplus soon gave place to new and deeper deficit by the second half of 1951.

To meet the deepening crisis, the Attlee Labour Government found itself compelled to direct its offensive, not merely against the colonial workers and peasants, but also against the British workers. After the initial extension of the social services (in fact, more than paid for by increased taxation of the workers), the programme of "austerity," retrenchment, increased taxation on consumption, and capital cuts was introduced in 1947. The White Paper of 1948 on "personal incomes" brought in the wage-freeze. Profits and prices soared, while real wages fell. Even on the basis of the Government's official figures, between June, 1947, and October, 1951, men's wage rates in money terms rose by 20 per cent. while the index of retail prices rose by 29 per cent., and of food prices by 43 per cent.—equivalent to a fall in real wages of 7 per cent. in relation to all prices, or 16 per cent. in relation to food prices. These official figures very much understated the real fall.

Thus the outcome of Labour Imperialism not only meant ruin and misery for the colonial peoples, and the burden of armaments and wars both for the British people and the colonial peoples. Labour Imperialism proved unable even to produce dividends, on the lowest, most sordid, supposedly "practical" (falsely "practical") economic calculation of advantage to the workers in the privileged imperialist country who were still tied to its support. In place of improving or even maintaining standards and conditions, Labour Imperialism found itself compelled to impose cuts and sacrifices and worsened conditions in order to pay the costs of its policy of maintaining imperialism.

Thereby it is obvious that the economic foundation of the whole structure of Labour Imperialism is becoming undermined.

In face of the accelerating economic deterioration in the second half of 1951, and the rising discontent and militant resistance of the mass of the organised workers, shown in the defeat of the wage freeze, and the proceedings of the Blackpool Trade Union Congress and agenda of the Scarborough Labour Party Conference, the Attlee

Labour Government dissolved Parliament and held the election of October, 1951, in order to hand over to a Tory Government to carry forward the offensive against the British workers and the colonial peoples.

This experience and outcome of the Labour Government of 1945-51 was the third major demonstration of the bankruptcy of Labour Imperialism.

The crumbling of the economic basis of British Imperialism in the present stage is preparing the way for the downfall of the domination of the Right-wing Social Democratic leadership in the working-class movement.

Whereas previously Social Democracy could claim (however falsely, when the full balance is taken into account) that its Empire policy brought "practical results" in the shape of social concessions, privileged standards and extending social reforms for considerable sections of the working class, it is now becoming increasingly clear to wider and wider sections that the reverse is the case. The prosecution of the imperialist policy requires cuts at the expense of the working class, worsened standards and retrenchment of the programme of social reform. The balance sheet ends in a visible deficit. So far from "contributing substantially to the wage packets of the working people of this country" (in the late Ernest Bevin's phrase), the imperialist policy so closely associated with Ernest Bevin has been responsible for lowering the value of real wages, inflicting crushing burdens on the people and carrying the country along the path leading to economic catastrophe and to the menace of a new world war.

Just as the present period has seen the collapse of the basis of Social Democracy in the majority of European countries, so the conditions are rapidly developing for a corresponding collapse in Britain.

The imperative necessity is beginning to be understood for a basic change in policy of the labour movement, away from the disastrous inheritance of Labour Imperialism, towards the alliance of the British working class and the colonial peoples in the common struggle against imperialism and war, and for the aims of national independence, peace and the advance to socialism.

CHAPTER XIII

PATH OF COLONIAL LIBERATION

"The equality of the rights of citizens of the U.S.S.R., irrespective of their nationality or race, in all spheres of economic, state, cultural, social and political life, is an indefeasible law.

"Any direct or indirect restriction of the rights of, or, conversely, the establishment of direct or indirect privileges for citizens on account of their race or nationality as well as the advocacy of racial or national exclusiveness or hatred and contempt, is punishable by law."

Constitution of the Union of Soviet Socialist Republics, Article 123.

THE alternative to the path of colonial domination and exploitation is the path of colonial liberation.

Many eloquent pleas have been made in the past on the wrongs of the colonial and subject peoples and their claim to freedom.

To-day the history of our era has materially changed the context of this question.

The past three and a half decades have abundantly demonstrated that all the colonial and semi-colonial, oppressed and exploited peoples under imperialism without exception, in every continent and every part of the globe—even the most "backward" or before seemingly quiescent—are on the march. Over immense areas many formerly subject nations, once held down to the lowest levels of poverty and oppression, as the nations of the old Tsarist colonial system in Asia a generation ago, or the Chinese people until recently, have completely thrown off the yoke of imperialism and are advancing with giant strides on the basis of their triumphant emancipation. Others have already built up their powerful united strength in their liberation struggle, and are sweeping forward to their goal with resolute determination, often already at the stage of armed struggle and with the initial establishment of liberated areas. Others are still engaged in building up their unity against the blows of the oppressor, or are as yet at the earliest stage of confused unrest and stirring and the beginning of elementary

struggles. But from the Philippines to Puerto Rico, from Malaya to Malta, from Madagascar to Morocco, from Tanganyika to Trinidad, the battle goes forward.

Thus the history of our era has already indisputably proved that the system of imperialist domination of other nations is doomed. The national liberation of all the present subject and dependent peoples is certain. Even the hypocrisy of the present-day imperialist rulers is a symptom of this situation. In the majority of cases they have changed their tune from the old language of brutal domination to sanctimonious professions of the aim of ultimate self-government or independence. They seek to camouflage their colonial régime by spurious "constitutions," or even by the creation of nominally "independent" states under local reactionary exploiters allied to them, in order to maintain their vested interests and exploitation. These hypocritical manoeuvres are themselves testimony to their consciousness of the approaching downfall of their system.

What is not yet as clearly understood, and what is above all important for the peoples in the imperialist countries, and especially in Britain, is the recognition of the life-and-death necessity of their *unity* and *active alliance* with the liberation struggles of all the colonial and semi-colonial peoples against imperialism, as the essential condition for their own salvation, for the solution of their own problems, for their survival after the downfall of the old imperialist structure, for their own victory over their capitalist imperialist rulers and exploiters, and for the achievement of their own advance to the aims of socialism.

It was the alliance of the Russian working class, guided and led by the teachings of Lenin and Stalin and the Bolshevik Party, with the liberation struggle of all the subject nations oppressed under Tsarism, which opened the way to their common victory over their common oppressor, Tsarism, made possible the liberation of the subject nations, and opened the way to the mighty fraternal association of nations in the Union of Soviet Socialist Republics.

It was the alliance of the international working class, with the Soviet Union at its head, with the heroic struggle of the Chinese people, which made possible the victory of the Chinese People's Republic.

History has called the British working class and the British people to fulfil a great and responsible role in relation to the freedom struggle of all the peoples of the British Empire.

Only such an active fraternal alliance and practical solidarity in the common struggle against imperialism to-day can make it possible to replace the present relationship of oppressor and oppressed nations by a new fraternal relationship, based on national independence and equal rights, which will be of vital and historic importance, not only for the advance of the international working

class and world liberation, but also for the solution of the imperative problems of Britain's present crisis.

1. *Socialism and Colonial Liberation*

Marxism has always taught that the liberation of the colonial peoples represents, not only the interests of the colonial peoples themselves as the first condition for their own social and economic advance, but equally the interests of the masses of the people in the ruling imperialist country, and especially of the working class for the achievement of socialism.

Marx and Engels in the nineteenth century gave the closest attention to the question of the relations of Britain and Ireland, which at that time was the foremost expression of the colonial question. Marx wrote in 1869 that he had originally regarded the freedom of Ireland as an achievement to follow on the victory of the working class in England, but that fuller study had convinced him that the liberation of Ireland was an indispensable *preliminary* condition for the victory of the working class in England.

> "It is in the direct and absolute interest of the English working class to get rid of their present connection with Ireland. . . .For a long time I believed that it would be possible to overthrow the Irish regime by English working class ascendancy. I always expressed this point of view in the *New York Tribune*. Deeper study has now convinced me of the opposite. The English working class will *never accomplish anything* before it has got rid of Ireland. The lever must be applied in Ireland. That is why the Irish question is so important for the social movement in general."
>
> (MARX, letter to Engels, December 10, 1869.)

Similarly the Resolution of the First International in 1869, drafted by Marx, and adopted by the General Council with the participation of the representatives of the British trade unions (though not till after a sharp preceding struggle with the "Lib.-Lab." leadership, represented by Odger, Applegarth and Mottershead), declared:

> "A people which enslaves another people forges its own chains. In this way the viewpoint of the International Working Men's Association on the Irish question is very clear. Its first task is the speeding on of the social revolution in England. For this end the decisive blow must be struck in Ireland. . . .
>
> "The essential preliminary condition of the emancipation of the English working class is the turning of the present com-

> pulsory union, that is slavery, of Ireland with England, into an equal and free union, if that is possible, or into full separation, if this is inevitable."

Marx emphasised, in a letter to Kugelmann on November 29, 1869, that this demand for freedom for Ireland needed to be pressed forward—

> ". . . .not as a matter of sympathy with Ireland, but as a demand made in the interests of the English proletariat. If not, the English people will remain tied to the leading-strings of the ruling classes, because it must join with them in a common front against Ireland."

In the most vivid fashion Marx showed, in a letter to Meyer and Vogt in the United States on April 9, 1870, how the capitalist class plays on divisions between the workers of a ruling country and of a subject country:

> "Every industrial and commercial centre in England now possesses a working-class population *divided* into two *hostile* camps, English proletarians and Irish proletarians. The ordinary English worker hates the Irish worker as a competitor who lowers his standard of life. In relation to the Irish worker he feels himself a member of the *ruling* nation and so turns himself into a tool of the aristocrats and capitalists *against Ireland*, thus strengthening their domination *over himself*. He cherishes religious, social and national prejudices against the Irish workers. His attitude towards him is much the same as that of the 'poor whites' to the 'niggers' in the former slave States of the U.S.A. The Irishman pays him back with interest in his own coin. He regards the English worker as both sharing in the guilt for the English domination in Ireland and at the same time serving as its stupid tool.
>
> "This antagonism is artificially kept alive and intensified by the Press, the pulpit, the comic papers—in short, by all the means at the disposal of the ruling classes. It is the secret of the impotence of the English working class, despite their organisation. It is the secret by which the capitalist class maintains its power. And of this that class is well aware."

Thus Marx found in the attitude to colonial policy the decisive test of the working-class movement. It was here that he found *"the secret by which the capitalist class maintains its power."* It was here that he found *"the secret of the impotence of the English working class, despite their organisation."* That lesson remains, not less, but even more important to-day.

In 1882 Engels, in a letter to Kautsky, discussed the future

of the colonies in the event of the working class winning power in England:

> "In my opinion the colonies proper, i.e. the countries occupied by a European population, Canada, the Cape, Australia, will all become independent; on the other hand, the countries inhabited by a native population, which are simply subjugated, India, Algiers, the Dutch, Portuguese and Spanish possessions, must be taken over for the time being by the proletariat and led as rapidly as possible towards independence. How this process will develop is difficult to say. India will perhaps, indeed very probably, produce a revolution, and as the proletariat emancipating itself cannot conduct any colonial wars, this would have to be given full scope; it would not pass off without all sorts of destruction, of course, but that sort of thing is inseparable from all revolutions. The same might also take place elsewhere, e.g. in Algiers and Egypt, and would certainly be the best thing *for us.* We shall have enough to do at home."

This was at a time when the national movement had hardly yet appeared or taken organised form in the extra-European colonial countries. But the principles of Engels' approach are remarkably clear. *"The proletariat emancipating itself cannot conduct any colonial wars."* The development of the national revolution in the subject colonial countries is "the best thing *for us*" and should be "given full scope." Here, too, are lessons whose principles have, not less, but overwhelmingly greater force to-day, in the present enormously more developed stage of the national revolutionary struggle in all colonial countries without exception.

Lenin and Stalin carried forward this teaching of Marxism on the national and colonial question in the era of imperialism, when the national liberation movements of the subject peoples were rapidly advancing in strength, alongside the rising challenge of the socialist working-class movement to imperialist rule. In the era of imperialism, and especially in the era of the general crisis of capitalism, the question of national and colonial liberation, and its relationship to the world socialist revolution, took on the most urgent practical importance.

Lenin emphasised "the characteristic feature of imperialism" as the division of the world into a handful of rich oppressor nations and a vast majority of oppressed nations:

> "The characteristic feature of imperialism is that the whole world, as we see, is at present divided into a large number of oppressed nations, and an insignificant number of oppressing nations possessing colossal wealth and powerful military forces. The overwhelming majority of the population of the world. . . ."

belongs to the oppressed nations, which are either in a state of direct colonial dependence or belong to the outlying colonial states such as Persia, Turkey and China, or else, after being conquered by the armies of a big imperialist power, have been forced into dependence upon it by treaties."

(LENIN, Report on the National and Colonial Question at the Second Congress of the Communist International, July, 1920.)

Hence the struggle of the working class in the minority of advanced imperialist countries for victory over capitalism and for the aims of socialism requires as an essential condition of victory, alliance with the national liberation movement of the oppressed peoples, representing the overwhelming majority of mankind, in the common battle against imperialism.

Utilising the example of the Irish rebellion of 1916, and answering the critics who saw in this only a *putsch* and dismissed the role of James Connolly as a surrender of socialist aims to petty bourgeois nationalism, Lenin showed how the development of the socialist revolution must draw in the struggle and uprising of all oppressed and exploited strata, including national and colonial revolts:

"To imagine that a social revolution is *conceivable* without revolts of small nations in the colonies and in Europe, without the revolutionary outbursts of a section of the petty bourgeoisie *with all its prejudices*, without the movement of non-class-conscious proletarian and semi-proletarian masses against the oppression of the landlords, the church, the monarchy, the foreign yoke, etc.—to imagine that is tantamount to *repudiating social revolution.* Only those who imagine that in one place an army will line up and say 'we are for socialism' and in another place another army will say 'we are for imperialism' and believe that this will be the social revolution, only those who hold such a ridiculously pedantic opinion could vilify the Irish rebellion by calling it a *Putsch.*

"Whoever expects a 'pure' social revolution *will never* live to see it. Such a person pays lip-service to revolution without understanding what it is."

(LENIN, *The Discussion on Self-determination Summed Up*, 1916.)

Similarly, Stalin emphasised the key significance of the question of *allies* for the victory of the working class, and showed how indifference to the winning of allies is equivalent to indifference to the victory of socialism:

"Those who are afraid of revolution, who do not want to

> lead the proletarians to power, cannot be interested in the question of allies for the proletariat in the revolution—to them the question of allies is a matter of indifference, a question of no immediate significance."
>
> (STALIN, *Foundations of Leninism*, 1925.)

The development of the general crisis of capitalism, with the outbreak of the first world war and the victory of the Russian socialist revolution, powerfully confirmed these teachings of Lenin and Stalin. A new era was opened, not only in the general stirring of the colonial peoples under the stimulus of the victorious Russian Revolution, but in the relationship of the colonial revolutions to world socialism.

Carrying forward the teachings of Marx in relation to the British working class and Ireland, Lenin laid down the duty of socialists to support the right of self-determination of all colonial and dependent peoples and to give them practical support in their struggle:

> "Socialists must not only demand the unconditional and immediate liberation of the colonies without compensation—and this demand in its political expression means nothing more nor less than the recognition of the right to self-determination—but must render determined support to the more revolutionary elements in the bourgeois-democratic movements for national liberation in these countries and assist their rebellion—and if need be, their revolutionary war—*against* the imperialist powers that oppress them."
>
> (LENIN, *The Socialist Revolution and the Right of Nations to Self-determination*, March, 1916.)

The right of self-determination carries with it the right of secession, without which it would be meaningless. The recognition of the right of secession does not imply a judgment in a concrete particular case of the desirability or otherwise of secession.

> "The right of nations freely to secede must not be confused with the expediency of secession of a given nation at a given moment. The party of the proletariat must decide the latter question quite independently in each particular case from the standpoint of the interests of the social development as a whole and of the interests of the class struggle of the proletariat for socialism."
>
> (Resolution of the Seventh Conference of the Russian Communist Party on the National Question, April, 1917.)

On this question of the advocacy of the right of self-determination, including the right of secession, Lenin drew a distinction between the task of socialists in an oppressor country and in an oppressed country:

> "The Social Democrats of the *oppressing* nations must demand the freedom of separation for the oppressed nations, for otherwise recognition of the equal rights of nations and international solidarity of the workers in reality remains an empty phrase, a hypocritical gesture. The Social Democrats of the *oppressed* nations, however, must view as foremost the demand for the unity and the *fusion* of the workers of the oppressed nations with the workers of the oppressing nations, because otherwise these Social Democrats involuntarily become the allies of one or the other national bourgeoisie, which *always* betrays the interests of the people and of democracy, and which in its turn is *always* ready for annexations and for oppressing other nations.
>
> (LENIN, *The Revolutionary Proletariat and the Right of Nations to Self-determination*, November, 1915.)

Does this mean that the communist principle implies the fragmentation of the world into innumerable petty independent states, at a time when economic and political conditions more and more imperatively call for large-scale organisation and combination, and for increasing international association and co-operation? On the contrary. The communist immediate objective of complete national liberation and national independence of all nations is seen as the essential step towards the aim of closer international co-operation and association, developing at a future stage, under the conditions of world communism, to the final outcome in the merging or fusion of nations. But such co-operation and association, developing eventually to fusion, must be at every stage *voluntary*. It is first necessary to end the imperialist forced association of ruler and ruled, in order to advance to such voluntary association.

Hence Lenin insisted that the demand for the right of self-determination, including the right of secession, did not by any means imply the advocacy of the desirability of the formation of separate small states:

> "The right of nations to self-determination means only the right to independence in a political sense, the right to free, political secession from the oppressing nation. Concretely, this political, democratic demand implies complete freedom to carry on agitation in favour of secession, and freedom to settle the question of secession by means of a referendum of the nation that desires to secede. Consequently, this demand is by no means identical with the demand for secession, for the partition

and for the formation of small states. It is merely the logical expression of the struggle against national oppression in any form. The more closely the democratic system of state approximates to complete freedom of secession, the rarer and weaker will the striving for secession be in practice; for the advantages of large states, both from the point of view of economic progress and from the point of view of the interests of the masses, are beyond doubt, and these advantages increase with the growth of capitalism. The recognition of self-determination is not the same as making federation a principle. One may be a determined opponent of this principle and a partisan of democratic centralism and yet prefer federation to national inequality as the only path towards complete democratic centralism. It was precisely from this point of view that Marx, although a centralist, preferred even the federation of Ireland with England to the forcible subjection of Ireland to the English."

(LENIN, *The Socialist Revolution and the Right of Nations to Self-determination*, 1916.)

On the question of small states or larger associations Lenin wrote:

"Marx never was in favour of small states, or of splitting up states, or of the federation principle. Still he considered the separation of an oppressed nation as a step towards federation, consequently not towards a splitting of nations but towards concentration, towards political and economic concentration, but concentration on the basis of democracy....

"We demand the freedom of self-determination, i.e. independence, i.e. the freedom of separation for the oppressed nations, not because we dream of an economically atomised world, nor because we cherish the ideal of small states, but on the contrary because we are for large states and for a coming closer, even a fusion of nations, but on a truly democratic, truly internationalist basis, which is *unthinkable* without the freedom of separation."

(LENIN, *The Revolutionary Proletariat and the Right of Nations to Self-determination*, 1915.)

The ultimate aim is seen as the merging or fusion of nations, under the conditions of world communism, in a single world culture:

"The aim of socialism is not only to abolish the present division of mankind into small states, and all-national isolation, not only to bring the nations closer to each other, but also to merge them.... Just as mankind can achieve the abolition of

classes only by passing through the transition period of the dictatorship of the oppressed class, so mankind can achieve the inevitable merging of nations only by passing through the transition period of complete liberation of all the oppressed nations, i.e. their freedom to secede."

(LENIN, *The Socialist Revolution and the Right of Nations to Self-determination*, 1916.)

Stalin further defined this conception in his Political Report to the Sixteenth Congress of the Communist Party of the Soviet Union in 1930:

"Lenin sometimes expressed the thesis of national self-determination in the form of a simple formula 'Disunion for the purpose of union.'"

On the lines of this principle he dealt with the question of the fusion of nations in this same Report:

"Lenin never said that national differences must disappear and national languages be fused in one common language within the boundaries of a *single* state, *before the victory* of socialism *all over the world*. Lenin, on the contrary, said quite the opposite, namely, that 'the national and state *distinctions* between peoples and countries.....will exist for *a very long time even after* the establishment of the dictatorship of the proletariat *on a world scale*....'

"We must let the national cultures develop and expand and reveal all their potential qualities, in order to create the necessary conditions for merging them into one common culture with one common language."

In the later discussion on Marxism and Linguistics Stalin further elaborated this question. Referring to his earlier Report to the Sixteenth Congress, he said:

"In the section dealing with the merging of languages into one common language, here another epoch is meant, namely, the epoch after the victory of socialism on a world-wide scale, when world imperialism no longer exists, the exploiting classes have been overthrown, national and colonial oppression is abolished, national isolation and mutual distrust of nations are replaced by mutual trust and rapprochement of nations, national equality is realised, the policy of the suppression and assimilation of languages has been abolished, the co-operation of nations is organised and national languages are able freely to enrich each other by way of co-operation.

"It is clear that in these conditions there can be no talk of the suppression and defeat of some languages and the victory

of other languages. Here there will be not two languages, one of which suffers defeat and the other emerges victorious from the struggle, but hundreds of national languages from which, as a result of the prolonged economic, political and cultural co-operation of nations, at first the most enriched, common, zonal languages will emerge, and then zonal languages will merge into one common international language, which of course will not be German, Russian or English, but a new language, which has absorbed the finest elements of the national and zonal languages."

(STALIN, Reply to A. Kholopov, with reference to the discussion on his *Concerning Marxism in Linguistics*, June, 1950; Reply published in the *Bolshevik*, No. 14, 1950.)

The guiding practical conclusions arising from this analysis of the national and colonial question in the era of imperialism have been summarised by Stalin:

"The imperialist war has shown, and the revolutionary experience of recent years has again confirmed:

"(1) That the national and colonial questions are inseparable from the question of emancipation from the power of capital;

"(2) That imperialism (the highest form of capitalism) cannot exist without the political and economic enslavement of non-sovereign nations and colonies;

"(3) That the non-sovereign nations and colonies cannot be emancipated without the overthrow of the power of capital;

"(4) That the victory of the proletariat cannot be a lasting one unless the non-sovereign nations and colonies are emancipated from the yoke of imperialism.

"If Europe and America may be called the front, the scene of the main engagements between socialism and imperialism, the non-sovereign nations and the colonies, with their raw materials, fuel, food and vast store of human material, should be regarded as the rear, the reserve of imperialism. In order to win a war one must not only triumph at the front but also revolutionise the enemy's rear, his reserves. Hence the victory of the world proletarian revolution may be regarded as assured only if the proletariat is able to combine its own revolutionary struggle with the movement for emancipation of the toiling masses of the non-sovereign nations and the colonies."

(STALIN, *The National Question Presented*, 1921.)

These principles received a powerful demonstration in practice in the victory of the Russian socialist revolution and in the Constition of the Union of Soviet Socialist Republics.

2. *The Soviet Union and Colonial Liberation*

The decisive example and inspiration in the great sweep forward of colonial liberation after the first world war was the victory of the Socialist revolution in Russia in 1917.

Under the leadership of the Bolshevik Party, the new Soviet regime liberated all the subject nationalities which had been oppressed under Tsarism. No distinction was made between "advanced" and "backward" peoples. No concession was made to theories of "tutelage" and "gradual advance to self-government" of primitive peoples at a low stage of development. On the contrary, emancipation was seen as the *first step* in order to overcome the backward or arrested development. All without exception received at once full equality of rights, and complete national freedom, including the right to secede. The Declaration of the Third All-Russian Congress of Soviets on January 24, 1918, proclaimed:

> "The Soviet Republic is established on the basis of a free union composed of free nations. In order to avoid misunderstanding on this question, the declaration offers to the workers and peasants of every nationality the right to make their own decision in their own authorised Soviet Congress: do they wish, and on what grounds, to participate in the federal government and other federal Soviet institutions?"

The reality of this right of secession was demonstrated in practice in the case of Finland in 1918, which, under a reactionary government, demanded and at once received complete independence at the hands of Lenin, after this had been refused by Kerensky.

Formal recognition of national freedom and equality of rights was, however, only the first step. For this equality to become real in practice, it was essential that material and cultural conditions in the regions hitherto backward and held down to a low level of retarded development by the colonial system should be rapidly carried forward to the level of the most advanced. Every aid was given from the more developed industrial regions to speed this transformation, and especially to speed industrialisation, not on the basis of capitalist investment and interest, but of socialist cooperation. The principle was laid down by Stalin at the Twelfth Congress of the Russian Communist Party in 1923:

> "Apart from schools and language, the Russian proletariat must take every measure to establish centres of industry in the border regions, in the Republics which are culturally backward —backward not through any fault of their own, but because they were formerly looked upon as sources of raw materials."

Here, indeed, we see the contrast of Sir Stafford Cripps' "It is not possible to contemplate much in the way of industrial development

in the colonies," or Rees-Williams' "It is no part of our purpose to try and set up everywhere small Lancashires."

This programme of industrial, economic and cultural development has been fulfilled in practice. Previously in the Tsarist Empire industry was concentrated in the area of Moscow, Leningrad, the Ivanov region, etc.—a tiny limited area where industrial capital originated and developed, holding the huge lands of agriculture and raw materials subject to the industrial centre. To-day the colossal industrial development is spread over the entire area of the Soviet Union. The Central Asian Republics, whose peoples were contemptuously dismissed in the *Russian Yearbook* of 1914 as "native tribes" at the lowest level, are now advanced centres of civilisation, of mechanised agriculture and industry, and of high social and cultural achievement.

Particularly significant is the industrial development of these Republics, as can be seen from the following figures:

Table 35

GROSS OUTPUT OF INDUSTRY IN SOVIET REPUBLICS OF CENTRAL ASIA

(*in millions of roubles at* 1926-7 *prices*)

	1913	1937	1950	*Per cent. increase,* 1913-50
Uzbekistan	269	1,668	2,800	941
Kazakhstan	51	982	1,300	2,449
Turkmenia	30	293	490	1,533
Tajikistan	1	187	450	44,900
Kirghizia	1	170	360	35,900

From backward colonies under Tsarism they have become progressive self-governing republics with a level of development in proportion to the population comparable with the European part of the U.S.S.R. or any industrialised country of Europe. Already by 1946 industrial output in Kazakhstan constituted 66 per cent. of the total production, while in Uzbekistan it was 75 per cent., despite the enormous parallel increase in agricultural output.

By 1952 the electric power output of these Central Asian Soviet Republics, with a population of 17 millions, was three times that of Turkey, Iran, Iraq, Syria, Afghanistan and Pakistan combined, with a population of 156 millions. In other words, the electric power output per head in the Central Asian Soviet Republics was twenty-seven times that of these other once comparable countries in the imperialist orbit. This is a measure of the practical achievement which has been made possible by liberation from imperialism and by socialist construction.

The scientific development of agriculture in the Central Asian Republics has been equally striking. With the growth of irrigation, electric power stations and up-to-date agricultural machinery big advances are registered each year in the production of food and industrial crops.

The degree of mechanisation of agriculture is demonstrated by the fact that by 1952 there were 121,000 tractors in the co-operative and state farms, 23,000 harvester combines, 102,000 machines for sowing, cultivating and picking cotton, and hundreds of thousands of other agricultural machines and implements. The proportion of tractors in use in Soviet Uzbekistan was 1 per 176 acres under crops, as against 1 per 353 in France, 1 per 32,000 in India, or 1 per 45,000 in Iran. The total of harvester combines in Britain in 1952, with three times the population, was 16,000.

The yield of raw cotton in the Central Asian Soviet Republics in 1951 averaged 16.7 cwt. per acre, as against 9.1 cwt. in Egypt, 6.6 cwt. in the United States, and 2.7 cwt. in India. The total cotton crop was equal to the combined crop of India, Egypt, Iran, Turkey and Afghanistan.

Immense irrigation works have been undertaken and still greater projects are under way. In Kirghizia, for example, in four years 250,000 acres of desert land have been transformed into wheatfields, cotton and fibre plantations, orchards, etc.

One of the greatest construction projects of all is that for a 700-mile canal in Turkmenia, which will bring under cultivation over 3 million acres of hitherto barren desert.[1]

All these great developments have involved corresponding social and cultural developments.

While in neighbouring India, after close on two centuries of British rule, more than 90 per cent. of the population were illiterate, in the Central Asian Republics, which started at an even lower level with only 1-3 per cent. literate in 1913, illiteracy has now been almost entirely eliminated.

In Tajikistan, in one quarter of a century of the Soviet regime literacy had risen from 0.5 per cent. in 1913 to 71.7 per cent. in 1939 and over 75 per cent. in 1943. Let us set out this contrast, see table overleaf which shows the relative rate of progress.

Tajikistan started at a lower level than India. It has left unhappy India far behind. This is the contrast in the rate of progress between a colonial country and a former colonial country liberated and advancing along the path of socialist development.

1 It is on the basis of these practical results of Leninist policy in the most backward colonial areas that it is possible to savour to the full the characteristic Fabian "practical wisdom" of Mr. Creech Jones' dictum, already quoted, that "escapism into the philosophy of Lenin will not bring better nutrition or the rearing of cattle in the tsetse forest belt". Kazakhstan after the war supplied 500,000 head of cattle to the liberated area, and finished 1945 with 4,200,000 more head of cattle than in 1940.

Table 36

DECREASE OF ILLITERACY IN INDIA AND TAJIKISTAN (PRE-WAR)

(*Number of illiterates per cent. of population*)

India in 1911	94	Tajikistan in 1913 ..	99.5
India in 1941	85.4	Tajikistan in 1939 ..	28.3
Decrease of illiteracy in thirty years under imperialism	8.6	Decrease of illiteracy in twenty-six years	71.2

In Uzbekistan, not more than 2-3 per cent. were literate before the Revolution. In 1950 literacy was 100 per cent. In Kazakhstan less than 2 per cent. were literate in 1914, in 1950 about 90 per cent. were fully literate and only 1-2 per cent. wholly illiterate (a lower proportion of illiteracy than the 2.7 per cent. in the United States). In Turkmenia under Tsarism only 1 per cent. were literate; now there is practically 100 per cent. literacy; only a few persons too old to learn have remained illiterate.

There has been a parallel growth in education and culture.

Before 1917 there was no tuition in Uzbekistan for the children of peasants and workers. In 1951 there were 5,000 primary, seven-year and secondary schools attended by 1,200,000 children. There were also 17 young pioneers' clubs, 56 young technicians' and naturalists' centres, 11 music schools, etc. In Tashkent, Samarkand, Ferghana and other towns, 36 higher educational establishments and some 100 technical schools provided higher education.

In Turkmenia 10,000 specialists had graduated between the end of the war and 1950 from the higher educational institutions and technical colleges. In 1950 the republic had 1,230 elementary and secondary schools with an attendance of over 200,000 children. In the 1950-1 school year alone 65 new schools began functioning.

Kazakhstan had 8,494 primary and secondary schools in 1949 attended by over 1,200,000 children. In 1951 the enrolment in the schools was 1,500,000 and the number of students in higher educational establishments was three times as great as in 1940. All the Soviet Republics of Central Asia have their own Academies of Science, universities, research institutions and the like.

In 1952 there were 104,000 full-time students in higher educational institutions in these five Central Asian Soviet Republics, with a population of 17 millions, or a larger number than the total of under 80,000 in Britain with a population of over 50 millions. The proportion of students in relation to population reveals a thought-provoking contrast, not merely with backward semi-colonial countries, but with the most advanced capitalist countries.

Table 37

PROPORTION OF FULL-TIME STUDENTS TO POPULATION

(*Number per* 10,000 *population*)

Tajikistan .	58	Iran .	3	United Kingdom .	16
Turkmenia .	60	India .	9	Sweden .	21
Kirghiza .	64	Egypt .	12	Italy . .	32
Uzbekistan .	71	Turkey .	12	Denmark .	34
Azerbaijan .	93			France .	36

Or take the measure of health. In Tajikistan, with a population of close on 1,500,000 the number of doctors rose from 13 in 1914 to 440 in 1939, or over thirty times; the number of hospital beds from 100 in 1914 to 3,615 in 1939, or more than thirty-six times. Let us compare this with Nigeria:

Table 38

HEALTH PROVISION IN NIGERIA AND TAJIKISTAN

Hospital Beds

Nigeria (after 80 years of British rule), 1 hospital bed for 3,700 inhabitants.

Tajikistan, 1914 (under tsarist colonial rule), 1 hospital bed for 13,000 inhabitants.

Tajikistan, 1939 (after two decades of Soviet freedom), 1 hospital bed for 408 inhabitants.

Doctors

Nigeria, 1917 . .	1 doctor for 135,000 inhabitants
Tajikistan, 1914 . .	1 doctor for 100,000 inhabitants
Tajikistan, 1939 . .	1 doctor for 3,400 inhabitants

Thus the initial conditions in Tajikistan under Tsarism were at a level comparable with or worse than an African colony under British rule. With one generation of Soviet liberation they reached a level comparable with advanced European countries. What country in the world outside the Soviet Union, let alone what colony, can show a comparable advance?

More recent figures would make the contrast even more striking. In Tajikistan, for example, during the post-war years 1946-50, the number of doctors was doubled and there was a 50 per cent. increase in the number of hospital beds. There was similar progress in the other republics. In Kazakhstan there were by 1950 hospital accommodation for 13,000, and 3,000 doctors with 5,000 assistants as well as large numbers of trained nurses.

By 1952 the number of doctors in Uzbekistan was 1 per 895 inhabitants, contrasting with 1 per 4,350 in Egypt, and also exceeding the proportion in France, with 1 per 1,000, or in Holland, with 1 per 1,160.

No less revealing has been the method of financing this gigantic transformation. Under imperialism a vast annual tribute is drawn from the poverty-stricken backward peoples under colonial domination by the wealthy exploiting class of the possessing Powers. The humbug of returning a few pence per head for "colonial development and welfare" only emphasises the real spoliation from which these few pence of charity are cheaply drawn. Under socialism the extra cost involved in rapidly helping forward the economic and cultural development of the backward peoples has been met by allotting to them consistently a disproportionate share of the total U.S.S.R. budget expenditure, so that during this transitional period they have continuously received more than they have given—*a reverse "drain."*

Thus, for example, in the Soviet Union Budget for 1927-28, before the development of the Five Year Plans, the allocation for financing economic development was 1.65 roubles per head in the Russian Soviet Republic, and 8.9 roubles per head in Turkmenia; the allocation for social-cultural needs was 2.16 roubles per head in the Russian Soviet Republic, and 3.84 roubles per head in Turkmenia. Similarly, the separate Budget of the Russian Soviet Republic received 18.8 per cent. of the revenues derived in its territories, the budget of Tajikistan received 100 per cent.

In this way the former ruling Russian nation, wealthier and more developed, received less and gave more. The former exploited colonial people, having greater needs, gave less and received more, until they could catch up. The surplus of economic benefit went, no longer to the former ruling country, but to the former colonial country—and freely, without any piling up of debt.

Such is the reversal of capitalist economy by socialist economy. We see here the miracle which has indeed made the desert bloom and the hungry well fed. In short, we see here in living practice the contrast between imperialist colonial exploitation and the socialist fulfilment of the equality of nations, with the most backward rapidly helped forward to the level of the most advanced.

Is it surprising that this demonstration exercises its powerful influence among the colonial peoples throughout the world? The contrast between the complete absence of colour and racial discrimination in the Soviet Union, where the propagation of colour or racial hatred is a criminal offence, with the horrors and cruelties of the colour bar in the United States and the British Empire, must inevitably have its effect among the coloured majority of the human race, and gives to them a different understanding of the controversies on "democracy" and "human rights" from that so easily assumed by

the tiny handful of White imperialists who imagine themselves the spokesmen of "civilisation" and "liberty."[1]

The picture of equality and rapid advance of the former colonial territories of the old Tsarist Empire, and especially of the Central Asian Republics, cannot but give cause for furious thought to all colonial peoples. It is a picture which inevitably arouses bitter comparison with the stagnation and exploitation of every colony under imperialism. But it is a picture which also holds out glowing hope and confidence for the future advance which can be achieved in every colonial territory everywhere without exception, once the imperialist yoke has been thrown off and the colonial people have become masters of their own country.

3. *Next Steps of Colonial Liberation*

In the present period since the second world war the national liberation movement of the colonial peoples has reached a new height. In the world democratic camp the colonial peoples fighting for freedom have been in the forefront since 1945. Where before the national movement was led by the colonial bourgeoisie, and reached only to sections of the population, and to limited forms of struggle, to-day the masses of the people are in movement, in a number of cases have taken up arms for their freedom, and the working class and the Communist Parties more and more directly lead the national movement.

At the same time imperialism is resorting to every device, not only to crush the popular struggle with terror, wholesale arrests and concentration camps, military expeditions and bombing and limitless violence, but also to split the national movement, to play on divisions, to build up new reactionary combinations, and to win over the dominant sections of the colonial big bourgeoisie as allies and junior partners.

These new conditions have given rise to new tasks for the national liberation movements.

In the forefront stand those countries where the Communist Party is already leading the united national front in armed struggle against imperialism, as in Vietnam, Malaya and Burma.

In the case of those developed colonial countries where a bloc of imperialism and representatives of the big bourgeoisie and other reactionary upper class exploiters is now established, and where Communist Parties are already leading the working-class movement and playing an important political role, the present phase has inaugurated a new stage.

1 It is amusing to note that the Declaration of the Strasbourg so-called "European Assembly" (more correctly, museum of reactionary antiquities and American puppets from a fragment of Europe) on "Human Rights" specifically excluded the "overseas territories."

Twenty-four years ago Stalin, in his address to the University of the Peoples of the East in 1925, gave warning with regard to the role of the colonial big bourgeoisie in colonial countries with developed capitalist relations such as India:

> "In certain of these countries (India, for instance) capitalism is growing rapidly and is giving birth to, and crystallising a more or less numerous class of native proletarians.
>
> "As the revolutionary movement progresses, the national bourgeoisie in such countries divides into two sections, a revolutionary section (the petty bourgeoisie) and a compromising section (the big bourgeoisie). The former continues the revolutionary struggle; the latter enters into a bloc with imperialism."

This process of the passing over of the leading representatives of the colonial big bourgeoisie, in association with the princes and big landlords, to a bloc with imperialism may be regarded as having reached its final completion in India with the establishment of the Dominion Governments of India and Pakistan. From his analysis of the colonial problem at that stage, Stalin drew three deductions:

> "(1) The liberation of colonies and dependencies from the yoke of imperialism is not possible save by a victorious revolution. Independence does not come as a gift!
>
> "(2) The revolution cannot be advanced and the complete independence of capitalistically developed colonies and dependencies cannot be achieved unless the compromising section of the national bourgeoisie is isolated, unless the petty bourgeois revolutionary masses are freed from the influence of this bourgeoisie, unless the hegemony of the proletariat is established, unless the advanced elements of the working class are organised in an independent Communist Party.
>
> "(3) No lasting victory is possible in colonial and dependent countries unless a real link is established between the movement for their liberation and the proletarian movement of the more advanced countries of the West."

All three deductions are more than ever important to-day.

The national liberation movement in countries such as India has had to re-group its forces in order to go forward under the hegemony of the industrial working class, expressed in the leadership of the Communist Party, building the alliance of the working class and peasantry and uniting the widest sections of the people in a broad democratic anti-imperialist front. This general line found expression in the Programme of the Communist Party of India, adopted in 1951. The Indian Communist Programme of 1951—a document of fundamental importance for all colonial and semi-

colonial countries in the present phase—exposed the true character of the present situation of India, after the ending of British direct rule in 1947, as "the last biggest dependent semi-colonial country in Asia" and "a landlord-capitalist state tied to foreign imperialist interests—mainly British." The Programme showed the way forward for the Indian people to advance from this situation of subjection to imperialism, mass oppression and worsening economic conditions, and to achieve the aims of national independence, democratic reform, economic and social advance and a policy of peace, through the organisation of a broad democratic front and the establishment of a People's Government leading the way to a people's democracy in India. The striking initial successes of the first still very incomplete forms of this democratic front at the elections in India in the beginning of 1952, where the democratic front led by the Communist Party, with 6 million votes, established its position as the main alternative political force challenging the reactionary Congress leadership, demonstrated the correctness of this programme and pointed the way forward to the political future for India.

In less-developed countries where there is still only the beginnings of a colonial bourgeoisie and where Communist Parties do not yet exist, the stage and the tasks of the movement are necessarily different. Here, as in West Africa and the West Indies, the outstanding development of the trade union movement reveals already the key role of the working class, alongside the growth of varying forms of political and national movements. The influence of Marxist ideas and the inspiration of the world Communist movement is already considerable and growing in these countries. The conditions are maturing for the formation of Communist Parties in many of these countries.

At the same time the responsibility is increased for the British labour movement and for all supporters of democracy in Britain, to play their active part in uniting their own struggle with the heroic struggle of the colonial peoples.

The interests of the British working-class movement and of democracy and of the fight for peace require more active opposition to the colonial wars and regime of imperialist violence, typified in the present period by the war in Malaya, the concentration of military forces in Egypt and the Middle East and armed clashes against the Egyptian people, or repressive regime and threat of armed action to maintain unjust and predatory conquests, as in Hong Kong. The attitude to the war in Malaya has been since 1948 the test of every democrat and socialist in Britain.

Equally it is essential to give every assistance to the development of the trade union and working-class movement in the colonial countries. Wherever regulations and penal laws are imposed which either prohibit strikes or restrict the elementary rights of

trade unionism—and in one form or another this is the case in every colony under British rule, and in many cases new hampering restrictions were imposed under the Labour Government—it is the elementary duty of trade unionism in Britain to practise solidarity with trade unionism in the countries oppressed by Britain, and to fight for the repeal of these discriminatory regulations and anti-trade union laws here in Britain where is the seat of authority which imposes them.

It is here, above all, that the World Federation of Trade Unions, representing, with its eighty million members, the majority of trade unionists throughout the world, and with the affiliation of the trade union movements in the majority of colonial and semi-colonial countries, is playing a role of first-class importance for international trade unionism. The breakaway of the British Trades Union Congress and American unions, under the influence of the aggressive policy of the American-led imperialist bloc, and endeavour to conduct disruptive splitting tactics in the trade union movements of other countries has been a blow against international trade union solidarity; and every effort needs to be directed to end the breach and re-establish international trade union unity.

The mass of trade unionists in Britain have little opportunity of information of the way in which the British imperialist rulers, with the active assistance of the right-wing leadership of the British trade unions, attack and suppress elementary trade union rights and activities in the colonies, and even utilise special officials, drawn from the circles of the right-wing leadership, to disrupt colonial trade unionism. Apart from the direct Government expenditure, and the lavish American finance poured out for this purpose and administered through the right-wing leadership of the American unions, funds are also drawn from the subscriptions of trade unionists in Britain, and administered through the General Council of the Trades Union Congress, nominally to "assist" colonial trade unionism to develop on "sound" lines, in reality to combat militant trade unionism in the colonies.

The role of these Government "Labour Departments" and "Labour Officers" in the colonies can be sufficiently illustrated from a few examples. Thus in Malaya the Government sent out as "Trade Union Adviser" John Brazier, educated at Ruskin College, a former organiser of the National Union of Railwaymen, a magistrate and Borough Councillor in the Isle of Wight and a member of the Colonial Bureau of the Fabian Society. Brazier—

> "was criticised by Labour M.Ps. in the House of Commons because he agreed to the suppression of a political strike by Japanese prisoners of war, and was responsible for supporting regulations so amending the Labour Ordinance that recognised trade unions could not spend money on political propaganda

> or belong to a Federation which included those that were controlled by Communists."
>
> (*New Statesman and Nation*, August 28, 1948.)

Such regulations (imposed prior to the war in Malaya) would invalidate all British trade unions.

In the Gold Coast the Labour Department put out a booklet under the engaging title *Your Trade Union* to warn African workers against the fallacy of strikes:

> "Experience shows that strikes are not of any benefit either to the worker or to the employer."
>
> (*Your Trade Union*, Public Relations Department, Accra.)

It should be clearly understood that this pearl of great wisdom, worthy of the Economic League, was put out under the official auspices of the Labour Government, owing its existence to the trade unions, whose foundations have been built by strike action.

Another Labour Officer for Kenya, James Patrick, put out a similar series of booklets on trade unionism (*What is a Trade Union?*, *The Organisation of Trade Unions*, *Trade Union Rules*, etc.), published by the Labour Department of Kenya (i.e. by the British Labour Government), warning African workers against allowing trade unions to have political aims or against associating trade unions with strikes:

> "A trade union is not an organisation with political aims."
>
> "Some people seem to think that trade unions are chiefly concerned with strikes. This is not true. Trade unions are formed so that strikes can be avoided."
>
> (*What is a Trade Union?*, Labour Department of Kenya.)

The same Mr. Patrick informed a meeting of European settlers in Nairobi that he was there "to preach the gospel of content and friendliness," and that he had been obliged "to restrain a number of people (quarry workers, painters and so forth) who wanted to be recognised as trade unions" because "the encouragement of trade unions without the necessary quality would mean that they would be material for agitators and exploiters" (*East African Standard*, January 14, 1949).

If that condition had been laid down for the formation of the British trade unions, there would be no trade union movement to-day. Yet this kind of anti-trade union propaganda is put out with the supposed support of the British trade union and labour movement.

As for the activities of the British ruling authorities in violently suppressing strikes and trade union activities in the colonies, a

few random examples may be taken from the recent period *under the Labour Government*:

GRENADA. In February, 1951, a strike took place for increased wages. The average wage of a labourer was only 12s. a week. The cruisers *Devonshire* and *Belfast* were ordered to Grenada and landed Marines, and police were flown in. The strikers were fired on. Six were shot, including one woman, and several were injured. Mr. Eric Gairey, President of the Manual and Mental Workers' Union, and Mr. Gascoigne Blaize, General Secretary, were deported to another island.

NIGERIA. In August, 1950, the workers employed by the United Africa Company at Lagos struck for a cost-of-living increase of 12½ per cent., a pension scheme, and a thirty-seven-hour week. They were forcibly prevented from picketing, and many strikers were arrested, including the General Secretary of the Amalgamated Union of United Africa Company Workers.

UGANDA. In 1950, a Bill was introduced declaring that any person organising a strike in an "essential service" could be sent to prison for a year and fined £250. Anyone supporting the strike could be imprisoned for six months or fined up to £50. It was in Uganda in 1950 that police, armed with rifles and clubs, were called out against 1,000 African strikers.

TANGANYIKA. Early in 1950 1,500 members of the Dock-workers and Stevedores Union went on strike in the port of Dar-es-Salaam for higher wages and against the registration of dock workers. Police attacked the pickets and fired on them. One African was killed and seven wounded, and eighty-six dockers arrested. Troops of the King's African Rifles were ordered to stand by, and were used to patrol the dock area.

EAST AFRICA. In February, 1950, police banned all meetings organised by the East African Workers' Federation. Mr. Daudi Unda, Acting President, and Mr. Japhet Banks, General Secretary, were arrested, and charged with being "rogues and vagabonds." They were later sentenced to four and six months' hard labour respectively. At the same time, police raided the office of the Union and seized all account books and membership forms.

In March, 1950, Mr. Fred Kubai, President of the East African T.U.C., was refused a passport to visit Europe to study trade unionism. In May, 1950, Mr. Fred Kubai, together with the General Secretary, were arrested after a police raid on their office. The result was a General Strike in Nairobi (May, 1950) in which there were baton charges against the strikers, use of tear gas, police aircraft, a Royal Air Force plane, armoured cars and armoured trucks. Over 300 workers were arrested, and their leaders sent to prison for twelve months' hard labour.

It is evident that there is abundant need for the activity of

British trade unionists to bring to an end such flagrant anti-trade union measures conducted in their name, and to fulfil the elementary duties of international trade union solidarity in relation to the colonial workers.

Similarly, it is essential to combat every infringement of democratic rights, denial of civil liberties, suppression of the Press, discriminatory racial regulations, and the operation of the colour bar, and fight for the same democratic rights for colonial citizens as the British people demand for themselves.[1]

Above all, it is essential to awaken working-class and democratic opinion in Britain to the true character of imperialism and the crisis of imperialism; to expose the illusions of the "end of imperialism" and revive the anti-imperialist traditions of the labour movement; to spread understanding of imperialist policy as the root of Britain's crisis and the main obstacle to economic progress and the victory of socialism, and to mobilise support for a decisive change of policy.

The cause of the colonial peoples is to-day more than ever indissolubly linked with the cause of the working class and of socialism in Britain. The fight for the ending of imperialism and for the defeat of the multi-millionaire combines, which have their centre in Britain, but extend their operations over the entire world, and especially in the colonial empire, and which are the main basis of Toryism and reaction in Britain, cannot be fought within the confines of Britain alone. The victory of the British working class cannot be won without allies, and the allies of the British working class and of the entire British people against British imperialism are first and foremost the colonial peoples.

It is not only the liberation of the colonial peoples that is at stake. It is the liberation of Britain.

1 How many Labour supporters realise that the mere possession of Marxist literature, which Hitler outraged world opinion by making a crime in Nazi Germany, was made a crime by the Labour Government in Malta? **The Communist Manifesto,** which the Labour Party officially re-published in London in 1948, with an Introduction of glowing eulogy declaring that "the Labour Party acknowledges its indebtedness to Marx and Engels as two of the men who have been the inspiration of the whole working class movement," was banned in colonies under the rule of the Labour Government. Periodicals like the **Labour Monthly,** contributed to by Labour M.Ps., and freely circulating in Britain, were banned by the Labour Government in Kenya, Tanganyika, Zanzibar, British Guiana and Singapore. Similarly, all publications of Messrs. Lawrence and Wishart, including equally Marxist classics and books by modern writers, have been banned in Nyasaland.

CHAPTER XIV

BRITAIN IN CHAINS

> "England has been made a pensioner of other lands for daily bread; we can command it still, but the hour of weakness may come: then, when we ask the nations for a loaf, they may remember that we gave them cannon balls, and pay us back in kind....While we have been extending ourselves abroad, we have been undermining ourselves at home."
>
> ERNEST JONES, Introduction to *The New World, or The Revolt of Hindustan,* 1851.

BRITAIN has reached to-day the end of an old chapter, and the opening of a new one. But the leadership of the older established parties and institutions, including the present dominant leadership in the labour movement, cling to the old traditions, because they know no other. Therefore Britain is in great and increasing danger.

The long history of the capitalist oligarchy in Britain, which completed the establishment of its power by violent revolution in the seventeenth century, and by strangling the democratic aspirations of the people in that revolution; which extended the empire and world power of Britain through the ceaseless wars of the eighteenth century; which drew into its ranks the industrial capitalists in the nineteenth century, while crushing the revolt of the working class; and which now, in the final era of monopoly, is seeking with all its customary skill of manoeuvre to draw in and tame the leadership of the rising labour movement—this long history is visibly reaching its close. The rule of this class of landlords, traders, financiers and industrialists (finally merging in modern finance-capital), has been continued through the outward political forms of a republic, of a pseudo-monarchy as the cover of the Whig oligarchy, of Victorian parliamentarism, and of docile Labour Governments serving the interests of capitalism and imperialism in the twentieth century. Through all the changing forms the real economic, social and political structure of Britain has developed as the centre of a world empire—a world

empire reaching to an extent and scale never before equalled in history. But the foundations of this empire are to-day crumbling; and with it, the basis in Britain is cracking.

"Crisis" has become the daily food of the British people. The hour of awakening has sounded to respond to new conditions and find the path to a new future. But the dead hand of the past lies heavy on all existing institutions. The true character of the crisis is still hidden from the British people. Therefore it is urgent to speed the awakening and new advance before the continuance along the old road leads Britain to catastrophe.

1. *Myths about the Crisis*

Britain's crisis is seen as the consequence of the blind impact of inexplicable *external* "world forces"—world wars, world economic crises, changing terms of trade, American or German competition, Russia, Communism, etc.—breaking in upon a peaceful, serene, secure and prosperous Britain of the halcyon days of before 1914.

There is no inkling of understanding that all the conditions of the future crisis were already present in a preliminary form in the corrupt parasitic imperialist structure of Britain *before* 1914 (when, in the words of the 1919 Preface to the original *Fabian Essays* of 1889, "we had none of us given attention to international relations... we knew practically nothing of what was happening in the socialist world outside our own country"), and that all the violent explosions from 1914 onwards were the entirely explicable historic outcome of the world imperialist system of which Britain was the main centre.

Similarly the first signs of chronic crisis after the war of 1914-18, manifesting themselves in Britain especially in prolonged mass unemployment which continued unbroken, never falling below a million, from the winter of 1920 until the war of 1939, were initially ascribed entirely to "post-war unsettlement." It was not until a decade after the war, as the problems persisted, that the falsity of this analysis and of the governmental formula of "back to pre-war" during 1919-22 became officially recognised by the expert apologists of capitalist economic blindness:

> "Immediately after the war many people naturally assumed that the war and the war alone was the reason for the dislocation that emerged in the economic relations of individuals, of nations and of continents. A simple return to pre-war conditions seemed in the circumstances the appropriate objective of economic policy....Experience has shown, however, that the problems left by the war cannot be solved in so simple a manner....

"The passing away of temporary financial and economic difficulties which have hitherto almost monopolised public attention now enable us to see more clearly and to study these more deeply rooted changes in the economic situation of the world; it is hopeless to try to solve such problems by striving after the conditions of 1913."

(Report of the World Economic Conference at Geneva, 1927.)

This new vision of the experts to "see more clearly" the "more deeply rooted changes" did not prevent them falling once again victims to a new set of illusions over the temporary stabilisation of the twenties and the "American economic miracle" (which was supposed to have "ironed out" crises and large-scale unemployment—so the *Encyclopaedia Britannica*, Fourteenth Edition, of 1929, article on "Capitalism"), and failing completely to foresee the world economic crisis of 1929-32, which was correctly predicted by Marxism.

The second Labour Government of 1929-31, which entered into office with confident and boastful predictions on the basis of an apparent temporary improvement of the economic situation at the moment of taking office, was caught completely unawares and impotent before the onset of the world economic crisis. In the words of the abject confession of a leading Minister of that Government, Herbert Morrison: "When we went into the economic and financial smash of 1931, we did not know we were going there" (see pp. 331-2 for the full reference). This did not prevent the third Labour Government from being caught equally unawares by the onset of the crisis of Britain's economy and balance of payments in 1947, as we shall have occasion shortly to examine in more detail.

To-day in the same way it is still fashionable in official and semi-official expression to explain the present crisis of Britain's economy as a consequence of the second world war, when Britain sacrificially spent all its resources in the common cause and emerged impoverished and bankrupt.

"The crisis is rooted deep in the devastation inflicted on Europe, Britain and half a dozen other countries by the most destructive war in history—seven times more destructive than the 1914-18 War. That, in the broadest terms, is what it is all about."

(*The A B C of the Crisis, published* by the Labour Party, 1947.)

"In the war we sold most of our investments and had to allow our export trade to fall away. During the war American

Lend-Lease aid freed us from anxiety. When peace returned we were faced with the stark reality of the situation."

(CLEMENT ATTLEE, election broadcast, October, 1951.)

This explanation of the crisis as an outcome of the second world war is inadequate for obvious reasons.

First, the devastation of the second world war fell most heavily on the Soviet Union and the countries of Eastern Europe—incomparably more heavily than on Britain and Western Europe. Yet it is precisely these countries that have shown the most striking recovery since the war, and the highest advance in production and living standards, and are afflicted by no such crisis, dollar deficit or deficit on the balance of payments as Britain and Western Europe. Thus the attempt to explain Britain's crisis as an inevitable consequence of war devastation is unacceptable.

This contrast was notably admitted in the United Nations statistics of National Incomes between 1938 and 1951.

Table 39

NATIONAL INCOMES, 1938-51

(*Index numbers of National Income at constant prices:* 1938=100)

U.S.S.R. . . .	224	U.S.A. . .	198
Poland . . .	169	United Kingdom	113 (1950)
Czechoslovakia . .	138	France . .	106 (1949)

(*United Nations Monthly Bulletin of Statistics,* June, 1952.)

The contrast would be still greater for 1952, since the level of industrial production in the capitalist world began to show an absolute decline during the first half of 1952 (a drop of 3 per cent. for the capitalist world as a whole during the second quarter of 1952, 4 per cent. for Western Europe, and 8 per cent. for Britain). This was alongside the accelerating advance of the Soviet Union and the People's Democracies.

Second, the attempt to explain Britain's crisis through the consequences of the second world war assumes that Britain's economic position was sound before the second world war. But the deficit in the balance of payments had begun to appear already in the 'thirties, and had reached the considerable figure of £70 million in 1938. Thus the causes were at work *before* the second world war, and were only intensified by its effects.

It is true that Britain's overseas investments were reduced during the second world war from £3,535 million in 1938 to £2,417 million at the end of 1945 (Bank of England Report on "Overseas Investments, 1938 to 1948," published in 1950)—a decline of 31.6

per cent. or a little under one-third (not quite Mr. Attlee's "sold most of our investments"); and that sterling liabilities to a very large nominal figure were accumulated, but were in fact frozen. But this is only one factor in a larger situation; and it would be completely false to isolate it as the cause.

Similarly the simplified version of the crisis for popular consumption has been repeated through ten thousand Ministers' speeches, radio broadcasts, experts' Press articles, pictorial posters, leaflets, Government propaganda booklets, and every other device known to publicity, that the simple "cause" of the crisis is that Britain is not producing and exporting enough to pay for the necessary imports of food and raw materials:

> "We are not producing enough exports to pay for the imports we must have."
>
> (*The A B C of the Crisis,* Labour Party, 1947.)

> "The nation's greatest need is to export more, especially to North America, so that we can pay for enough food to eat, and enough raw materials to keep our factories running."
>
> (*Let Us Win Through Together,* Labour Party policy statement, 1950.)

Hence the simple conclusion is drawn. Produce more. Consume less. Export more. And the crisis will be solved.

It is obvious that this bland vulgarisation of an "explanation" of the crisis explains nothing. It substitutes a *description* of a deficit on the balance of payments for the *cause*. And even to do this, the glib-tongued official propagandist has to leave out of account all the most vital factors. He has to pretend that the need for more exports is to "pay for enough food to eat and enough raw materials to keep our factories running." He dare not say: "to pay for wars in Korea and Malaya," or "to pay for keeping a quarter of a million troops spread over the world," or "to pay for a policy which refuses to import available food and raw materials, in exchange for our exports, from one third of the world."

Unfortunately for this simple official recipe for the solution of the crisis, which has been dinned into the nation with wearisome cheapjack iteration by all its govermental and governmentally inspired mentors, the nation has accepted this advice with simple trustfulness and carried out the recipe during all these years since the war.

The workers have produced more. They have consumed less. They have exported more. Between 1945 and 1950 the volume of production was increased by no less than 50 per cent. Despite this enormous increase in productivity, real standards (earnings in relation to prices) have moved downwards. The consumption

of meat, butter, sugar or bacon per head in 1950 was heavily below pre-war (but the consumption of potatoes showed a big increase). The volume of exports in the same period was increased by no less than 75 per cent.

After all this prolonged effort of belt-tightening, increased production and forcing up exports at an unparalleled rate for six years, the nation was informed in 1951 that the crisis was now worse than ever, and that the final exhaustion of the reserves and national bankruptcy was in sight within nine months unless still more drastic and desperate measures were taken.

It is evident that it is necessary to go more deeply into the causes of this crisis, in order to determine the best methods of dealing with it.

2. *Truth of Britain's Crisis*

The first and most elementary truth about Britain's crisis is that it is *not* simply the crisis of a "little island" of 50 millions struggling hard to produce and export enough to pay for the imports they need in a difficult modern world.

This is the fairy-tale picture beloved of the government propagandists who play on the simple unconsciousness of empire among the majority of the population.

> "It is possible for so many people, on so small and relatively poor an island, to live so well and exert so great an influence, only so long as they produce enough of what the rest of the world wants to keep the British people and their machines fed and working. That is the British problem."
>
> (*Where We Stand this Year: An Official Account in Popular Form of the Economic Situation and Prospects for* 1952, Central Office of Information, 1952.)

> "We have 50 million people living on these crowded islands. Half of the food that we eat and most of the raw materials which our industries need and on which our people depend for work, come from abroad. If we do not export sufficient goods to pay for these, we face not only a lower standard of life but also the danger of mass unemployment."
>
> (*Facing the Facts: An Interim Statement of Labour's Home policy,* Labour Party, 1952.)

The essence of the truth of Britain's crisis is that it is the crisis *of the parasitic metropolis of a world empire;* that the whole economic and social structure of Britain has been built on this assumption of empire; that this basis of empire is now beginning to crack, and

therefore the whole traditional economic and social basis in Britain is plunged into increasing difficulties; that the desperate efforts to maintain the basis of empire domination and exploitation are only worsening Britain's home economic situation; and that only a drastic change of policy, recognising the new conditions, can open a new and prosperous future for Britain.

One hundred years ago Engels, with penetrating foresight, predicted the future downfall of the then ascendant and triumphant British world industrial monopoly before the advance of American capitalism, and outlined the sharp alternatives which would then confront the British working class:

> "If any country is adapted to holding a monopoly of manufacture, it is America. Should English manufacture be thus vanquished... the majority of the proletariat must become forever superfluous, and has no other choice than to starve or to rebel."
>
> (ENGELS, *Condition of the Working Class in England in 1844.*)

To-day we are reaching a new and advanced stage of this deepening dilemma and crisis confronting British capitalism and the British working class.

Already in the last quarter of the nineteenth century American capitalism had overtaken and outstripped British in the field of industrial production. British capitalism, outdistanced by American and also by German capitalism, and falling behind in the field of industrial production, was nevertheless able to prolong its life on the basis of the accumulated reserves of its former world industrial monopoly and through the intensified exploitation of its world colonial empire. In the era of imperialism British capitalism provided the classic example of an older, decaying and increasingly parasitic capitalism ever more heavily dependent on world tribute to balance its accounts.

But now this basis also is reaching bankruptcy. The sharp choice foretold by Engels returns with added force in the closing phase of the imperialist era.

The twentieth-century pre-1914 era of imperialism in Britain, before the onset of the general crisis of capitalism, was only *apparently* an era of tranquil prosperity and expanding success, towards which the present-day apologists of capitalism look back with mournful gaze as to a lost golden age. In reality imperialism is from the outset, as Lenin repeatedly insisted, "decaying," "putrefying," "moribund" capitalism.

> "Imperialism is a specific historical stage of capitalism. Its specific character is threefold: imperialism is (1) monopoly

capitalism; (2) parasitic, or decaying capitalism; (3) moribund capitalism."

(LENIN, *Imperialism and the Split in Socialism*, 1916.)

The apparently "successful," "prosperous" equilibrium and even expansion of the pre-1914 era of British imperialism concealed the reality of increasing parasitism, relative industrial and trading decline in comparison with its competitors, and increasing relative technological backwardness and even stagnation. A net imports surplus had become characteristic of Britain's trading account from the middle of the nineteenth century. But by 1913 the proportion of imports no longer paid for by exports had reached 38 per cent., and by 1938, 40 per cent. Meanwhile, Britain's proportion of world manufactures fell from one-third in 1870 to one-fifth in 1913 and one-tenth in 1938, and of world exports of manufactures from two-fifths in 1870 to one-tenth in 1938.

Thus already before 1914 twentieth-century Britain had become an increasingly parasitic metropolis, dependent more and more for its economic balance upon the world tribute closely associated with empire exploitation, and less and less upon its relatively weakening industrial and trade position. Lenin quoted Schulze-Gavernitz's *British Imperialism* written before 1914:

> "Great Britain is gradually becoming transformed from an industrial state into a creditor state. Notwithstanding the absolute increase in industrial output and the export of manufactured goods, the relative importance of income from interest and dividends, issues, commission and speculation is on the increase for the whole of the national economy. In my opinion it is precisely this that forms the economic basis of imperialist ascendancy. The creditor is more permanently attached to the debtor than the seller is to the buyer."

On this Lenin commented:

> "The rentier state is a state of parasitic decaying capitalism, and the circumstance cannot fail to influence all the social-political conditions generally of the countries affected and particularly the two fundamental tendencies in the working class movement."

Lenin further quoted the hypothetical picture presented in J. A. Hobson's *Imperialism* of a complete development of parasitism of a federated Western Europe, assuming the successful partition of China:

> "The greater part of Western Europe might then assume the appearance and character already exhibited by tracts of country in the South of England, in the Riviera, and in the tourist-ridden or residential parts of Italy and Switzerland,

little clusters of wealthy aristocrats drawing dividends and pensions from the Far East, with a somewhat larger group of professional retainers and tradesmen and a large body of personal servants and workers in the transport trade and in the final stages of production of the more perishable goods; all the main arterial industries would have disappeared, the staple foods and manufactures flowing in as tribute from Asia and Africa.

"We have foreshadowed the possibility of even a larger alliance of western states, a European federation of great powers which, so far from forwarding the cause of world civilisation, might introduce the gigantic peril of a Western parasitism, a group of advanced industrial nations, whose upper classes drew vast tribute from Asia and Africa, with which they support great tame masses of retainers, no longer engaged in the staple industries of agriculture and manufacture, but kept in the performance of personal or minor industrial services under the control of a new financial aristocracy. Let those who would scout such a theory as undeserving of consideration examine the economic and social condition of districts in Southern England to-day, which are already reduced to this condition, and reflect upon the vast extension of such a system which might be rendered feasible by the subjection of China to the economic control of similar groups of financiers, investors, and political and business officials, draining the greatest potential reservoir of profit the world has ever known, in order to consume it in Europe. The situation is far too complex, the play of world forces far too incalculable, to render this or any other single interpretation of the future very probable; but the influences which govern the imperialism of Western Europe to-day are moving in this direction, and unless counteracted or diverted, make towards some such consummation."

On this hypothetical picture drawn by Hobson, Lenin made the sharply penetrating critical comment:

"Hobson is quite right. Unless the forces of imperialism are counteracted they will lead to what he has described. He correctly appraises the significance of a 'United States of Europe' in the present conditions of imperialism. He should have added, however, that, even within the working class movement, the opportunists, who are for the moment predominant in most countries, are 'working' systematically and undeviatingly in this very direction... However, we must not lose sight of the forces which counteract imperialism generally, and opportunism particularly, which, naturally, the social-liberal Hobson is unable to perceive."

(LENIN, *Imperialism*, 1916.)

And again:

> "Hobson, the social-liberal, fails to see that this 'counter-action' can be offered *only* by the revolutionary proletariat and *only* in the form of a social revolution."
>
> (LENIN, *Imperialism and the Split in Socialism*, 1916.)

During the three and a half decades since those words were written we have been witnessing in living historical development the correctness of Lenin's critique of Hobson, and the successive stages of fulfilment of Lenin's analysis and prediction. Herein lies the secret of Britain's crisis. The *tendency*, which Hobson correctly foresaw, has gone forward towards the increasingly open attempt to build an imperialist United States of Western Europe (but under the domination of the more powerful American imperialism), resting on the exploitation of Asia and Africa, and with the open support of Western European opportunism or "Democratic Socialism" (as it now likes to term itself). But the *counteracting forces* which Lenin indicated as ultimately decisive have indeed increasingly manifested themselves, and replaced Hobson's hypothetical picture of a future imperialist parasitic "utopia" (or nightmare) by the reality of the deepening crisis and bankruptcy of imperialist Britain and Western Europe.

First, the victory of the socialist revolution in Russia, and the victorious advance of the colonial revolution has defeated the picture of a successful imperialist domination and exploitation of the entire world. In place of the partition of China envisaged by Hobson as the basis of his hypothesis, it is the Chinese People's Republic that has prevailed.

Second, the development of parasitism within Britain, and the consequent weakening of Britain's economy, alongside the increasingly violent shock of the contradictions of imperialism and successive world wars, has undermined the basis of British imperialism and brought a prolonged, visible and sharpening deterioration of Britain's economic situation, which in turn has sharpened class contradictions within Britain, exposed the bankruptcy of Britain's imperialist order and its opportunist spokesmen, and thus begun to prepare the conditions for the awakening and new advance of the British working class.

The key economic driving force of imperialism is the export of capital in the search for the highest level of monopoly profits, especially from colonial exploitation. So long as the export of capital can be successfully maintained, the economic conditions continue for the maintenance and extension of the imperialist system, even though the political contradictions ceaselessly increase and will ultimately destroy it.

The initial main basis for Britain's export of capital in the

second half of the nineteenth century lay in the profits of Britain's industrial and trading world monopoly. This made possible the rapid accumulation of overseas capital investments, which multiplied fivefold between 1850 and 1880, doubled again between 1880 and 1905, and doubled again by 1914 to reach the record total of £4,000 million—a figure not since equalled in money values, and worth more like £12,000 million at present values. It is true that, since there was a net imports surplus from the middle of the nineteenth century (£30 million already in 1855-9), the "export" of capital was from the outset in reality a reinvestment of profits made on the world market and from world exploitation. But the basis which made this possible was the world industrial, trading and shipping monopoly, and the consequent pre-eminent position of London as the financial centre of the world. In the later stages the "export" of capital became increasingly the reinvestment of a portion of the super-profit drawn from the previous overseas capital accumulation—so that the labour of the exploited colonial workers and peasants was at the same time piling up the ever-rising burden of debt upon their backs.

But the parallel effects of the increasing export of capital (with the accompanying increasing neglect of the needs of home industrial and agricultural re-equipment and development owing to the more lucrative attractions of the higher rates of colonial super-profits), and the swelling volume of world tribute as a rising proportion of the payment, in place of exports of manufactured goods, for home imports, had as their counterpart the progressive weakening and undermining of Britain's world manufacturing and trading monopoly, which had been the initial basis for the export of capital. Parasitism does not make for brisk industrial development and enterprise.

So long as the continuously rising volume of world tribute income could still pay for the simultaneously rising imports surplus *and at the same time* provide for the continued export of capital and consequent expansion of overseas capital accumulation, the system could still appear to be successfully and prosperously functioning and even expanding. The real parasitism and mortal sickness at its heart was concealed. This was the situation of the first phase of the imperialist era in Britain before 1914. Hence the illusions of the lost "golden age" of Edwardian splendour before 1914.

It is obvious that the dynamics of this system contained within it already latent crisis. The rising curve of the imports surplus, reflecting the relative weakening industrial and trade position, was eating more and more into the world tribute income as the indispensable source for maintaining an economic balance, at the expense of the requirements for the continued export of capital to keep the system going. It is this latent crisis which was violently hastened and brought to the forefront by the effects of the first world war.

So soon as the world tribute income ("invisible trade" income from the interest on foreign investments, international financial commissions and the world shipping monopoly) became entirely absorbed to meet the extending parasitism of the rising imports surplus, leaving nothing for the export of capital to maintain and develop the overseas capital accumulation, the whole development of the system could only reach a stop, and begin to move in the reverse direction. The basis for the extension of the world tribute income was drying up, at the same time as the demands on it were increasing. The result meant the passing of the imperialist system into a phase of increasingly open and acute crisis, manifested initially in a deficit in the balance of payments.

The effects of the first world war accelerated, but did not cause this process. The extension of colonial revolt began at the same time to undermine the basis for the expansion of the world tribute income, and in the later phases to lead to its actual restriction.

By the 'thirties a deficit in the balance of payments began to appear. The world economic crisis transformed a surplus of £103 million in 1929 into a deficit of £104 million in 1931, knocked Britain off the gold standard, and finally ended the attempt to restore London as the world financial centre.

Thereafter the deficit on the balance of payments showed the following gloomy picture:

Table 40

BALANCE OF PAYMENTS, 1931-38

(*£ million*)

1931	—104	1935	+32
1932	—51	1936	—18
1933	0	1937	—52
1934	—7	1938	—70

Total net deficit over eight years=£270 *million.*

Despite the high level of "invisible trade" income, reaching an average of £352 million during the three last pre-war years 1936-8, and paying for no less than 40 per cent. of the imports, it was still inadequate to cover the imports surplus. The process of overseas capital accumulation had come to a stop. The process of *dis-accumulation* had begun. The total of overseas capital investments fell from £4,000 million in 1913 to £3,545 million in 1938. The economic basis of British imperialism was visibly on the downward path already *before* the second world war.

The effects of the second world war enormously accelerated, but did not cause, this decline. The total of overseas capital fell to £2,417 million in 1945 and to £1,960 million in 1948. The deficit on

the balance of payments rose to £545 million in 1947. Although the desperate measures of intensified colonial exploitation and home cuts undertaken by the Labour Government to meet the crisis brought a precarious reversal to a small surplus in 1949, and the temporary soaring rise of prices of colonial raw materials, consequent on the Korean War and United States stockpiling, greatly increased this surplus during 1950, this artificial "recovery" proved short-lived in face of the major factors of the crisis. By 1951 the deficit again rose to £461 million.

Table 41

BALANCE OF PAYMENTS, 1945-51

(£ *million*)

1945	—658	1948	—26
1946	—344	1949	+6
1947	—545	1950	+258
		1951	—461

Total net deficit over seven years=£1770 *million.*

The average annual deficit of £34 million during the nineteen-thirties had risen to an average annual deficit (with wide variations between five years of deficit and two of surplus) of over £250 million during the years 1945-51.

It is now necessary to examine the measures undertaken by British imperialism, whether under Labour or Tory governments, to meet this crisis, and the reasons why they have not only failed to solve it, but have in fact, by placing additional economic and military burdens on an already weakened Britain, led to its intensification.

3. *Bankrupt Remedies*

In November, 1945, within six months of the installation of the third Labour Government, and following the first public declarations by Ernest Bevin as Foreign Minister, revealing the reactionary imperialist and anti-Soviet policy which the Government had determined to pursue, the Communist Party Congress gave the warning that this imperialist policy would inevitably bring grave social and economic consequences for Britain and defeat the aims of social progress at home:

> "We warn the Labour movement that unless it compels the Government to change completely its present foreign policy, which is simply the continuation of the imperialist line of the

Tory Party and of the reactionary monopoly capitalists, there can be no fundamental social progress in Britain, and that the whole future of this country is in grave peril."

The subsequent deepening crisis, which in its onset took Labour Ministers by surprise, and found them ever more impotent to offer a positive policy, gave abundant confirmation of the correctness of this warning. Six years later, by the spring of 1951, three Labour Government Ministers were resigning in protest against the retrenchment of social services in the interests of the rearmament programme. The partial—very incomplete—awakening of a minority of the older leadership (under rank and file pressure) came after the twelfth hour.

Building their outlook on the old Fabian illusions of the permanent imperialist assumption, and consequently conceiving their task only in terms of pursuing the familiar routine of handing out social reforms and social concessions within a smoothly functioning capitalist framework, the Labour Government Ministers were caught completely unawares by the violent onset of the crisis in 1947.

The shock of the American abrupt termination of Lend-Lease at the end of hostilities in 1945 was smoothed over for the moment by the American loan of £937 million at the end of 1945, the economic and political strings of which were accepted without question. Ministers fondly imagined that the loan would tide them over until 1950. In fact it was exhausted within little over a year, by 1947.

> "We had hoped that the loan would last us well into 1949, possibly into 1950, by which time there was a reasonable chance that we should have re-deployed our economy and been in sight of equilibrium. As things have turned out, it is now certain that the loan will be exhausted before the end of this year."
>
> (PRIME MINISTER ATTLEE, House of Commons, August 6, 1947.)

As late as the Bournemouth Labour Party Conference in June, 1946, Mr. Morrison, having triumphantly defeated the proposal for affiliation of the Communist Party, actually boasted that the second Labour Government of 1929-31 was caught by surprise by the economic crisis because "we did not know we were going there," but that this would never happen again, because they had now established an "overall planning organisation":

> "In the Labour Government of 1929-31...when we went into the economic and financial smash of 1931, we did not know we were going there. We ought to have known what was ahead, but we did not, because there was no proper

> machinery of State to tell us, and when we got there we did not know fully what to do about it."

And he continued with profound wisdom:

> "The real problem of statesmanship in the field of industry and economics is to see the trouble coming and to prevent ourselves getting into the smash."

Yet, in the whole proceedings of the 1946 Labour Party Conference there was not the slightest sign of a shadow of awareness of the crisis which was immediately in front and of which the Communist Party had already given concrete and explicit warning. On the contrary, Mr. Morrison, in the same speech in which he had displayed his economic ignorance in 1929-31 (when also the Communists had given exact warning of the coming crisis) and boasted of his wisdom and foresight now, went on blandly to hold out the economic perspective for 1947:

> "We will soon be able to pay for more and better things from overseas...1947 will be the year in which we are beginning to draw the dividends from our efforts during 1946. We can reasonably look forward to a rather higher level of imports."

Such was the Labour Government's brilliant forecast (with the aid, of course, of its sapient "overall planning organisation" chosen from the brightest ornaments of capitalist economics and servants of imperialism) of an improved balance of payments, making possible more abundant imports and easier conditions, as the prospect for 1947.

In fact, 1947 was the year in which the storm broke, and the deficit on the balance of payments reached the record total of £545 million. 1947 was the year in which the convertibility crisis exposed the reckless miscalculations of the preceding policy imposed by the conditions of the American loan, and the exhaustion of the American loan laid bare the bankruptcy of the Government's economic basis. The outcome led, not to the "more and better things from overseas" predicted by Mr. Morrison, but to the Cripps emergency programme for austerity and the restriction of imports. It is evident that Mr. Morrison, like Belshazzar and his astrologers, would have done better to dismiss his bogus "economic planners," and to study with more care the literature of Marxism.

The sunshine optimism of the first two years after the war, when Government Ministers in their economic reports had prattled of an increased production of tennis balls and electric kettles as proof of recovery, gave way to permanent panic from the summer of 1947 onwards, when the real situation began to force itself on their attention with the rapid draining away of the American loan

and the ugly spectre of a staggering deficit on the balance of payments.

But precisely because the real causes of the crisis were not understood, any more than its onset had been foreseen, the resultant panic only led to obvious measures of desperation which intensified the disease, while the operative causes in the sphere of *policy* remained unchanged.

The "balance of payments crisis" was seen as *only* a balance of payments crisis. The symptom was mistaken for the disease. Hence the moral was drawn and proclaimed with wearisome reiteration henceforth from every platform, newspaper, radio address and hoarding: We are importing and consuming too much. We are producing and exporting too little. And the solution? Restrict consumption. Increase production. Import less. Export more. And the crisis will be solved. Britain's accounts will "balance." How simple!

When the Marshall Plan was proposed, Government Ministers, Tory leaders, and the Trades Union Congress General Council leapt forward to welcome the golden shower with both hands. Once again the dollar subsidy, whose interruption with the exhaustion of the loan had caused such pain, could resume its beneficial flow. It was only thanks to the kind American capitalists, Mr. Bevan and Mr. Shinwell explained to bewildered Labour audiences who had been brought up on the old-fashioned notion that socialism could cure unemploymeent, that we did not have one and a half million unemployed in this country. Never mind the conditions. Leave such querulous examination of the gift-horse's teeth to suspicious Russians and East Europeans, who make a fetish of their economic independence. Once the four-year term of the Marshall Plan has expired, by 1952, we were assured, provided we pull in our belts and produce more, Britain's accounts will balance, and all will be well.

So the shackles of trade restrictions were imposed on Britain. The lists of banned exports arrived. The Hollywood films and magazines poured in. The American Economic Administrator for Britain established his offices in London with an ever-extending network of sub-offices and staff. He reported with satisfaction that "...the housing programme has been quite seriously cut back; so has the health programme and so has the programme for education" (Report of Thomas K. Finletter, Chairman of the Special Mission of the Economic Co-operation Administration for the United Kingdom to the Senate Foreign Relations Committee on February 10, 1949). Presently American economic occupation was followed by American military occupation. At first the military occupation was declared to be only temporary—for training. Then it became permanent.

The nation obediently pulled in its belt, worked hard and increased production. During the two years from the summer of 1947 to the summer of 1949, according to the official figures, production increased by 17 per cent. (and profits and interest rose by 24 per cent.). Real wages went down by 3 per cent.

And then in the summer of 1949 it was announced that the crisis was worse than ever, that the dollar deficit was running at £600 million a year, that the gold and dollar reserve was melting away and would at the existing rate reach exhaustion within a year, that no prospective Marshall Aid could cover the drain, and that there was no prospect of recovery by the expiry of the famous Marshall "Recovery" Plan in 1952.

Nothing remained but for the higher Government Ministers to make the pilgrimage once again to the Mecca of Washington in the hope of another hand-out. This time, however, the tone of the American Press was becoming harsh, not to say unkind. The whip was no longer concealed. The eagle's claws were deep in the flesh of the wounded lion.

The new American terms for Britain were harsh. The pound was devalued from $4.03 to $2.80 on September 18, 1949, following the Washington Conference. This devaluation was carried through under open and violent American pressure, conveyed by the Secretary of the Treasury, Snyder, in his visit to London in July, and against the openly expressed unwillingness of the British Government at that time and of the British Treasury experts. This triumph of the American offensive further weakened the world position of sterling, lowered standards in Britain, increased Britain's economic difficulties by making imports more costly and exports less remunerative, and facilitated the penetration of American capital to buy up assets cheaply in Britain and the Empire.

No perspective was held out by the Government for the British people save to accept meekly the cut in standards, and multiply still further their efforts and sacrifices to pursue the elusive Holy Grail of expanding exports to the dollar markets, which did not need their goods. As a result of devaluation, dollar exports would now have to be expanded by two-fifths merely to maintain the existing gap, and would have to be quadrupled to overcome the gap. How much prospect was there of fulfilling these fantastic goals in the conditions of deepening crisis, when most of the other competing capitalist non-dollar countries had also devalued in pursuit of the same dollar market, while the United States was busily cutting imports and expanding exports? It was obvious that the new perspective for the solution of the crisis by intensified trade war to quadruple exports to the dollar market was even more wildly unrealistic than all the previous targets and surveys, which were now admitted by Ministers to have been no more than the pursuit of expedient after expedient leading to new crisis. In the words

of Sir Stafford Cripps in September, 1949, the Government had been trying to deal with the crisis "by a series of temporary expedients which have led us to a series of crises as each expedient has been exhausted."

In point of fact Sir Stafford Cripps in this statement did less than justice to his Government's policy. From 1947 onwards the Labour Government did in fact pursue—subject to the varying hazards and currents of the economic blizzard playing about their ears and to the successive sometimes contradictory pressures of the American overlord—a single uniform, consistent and determined policy, in close association with the Tories, who took over the continuance of the same basic policy in 1951, to meet the crisis. But it was a policy which could not be proclaimed in public. It was a ruthless policy of British imperialism to endeavour to restore its balance by the most heavily intensified colonial exploitation, alongside cuts at home, in order to resume the path of capital formation and the export of capital. The programme was much more frankly stated by the Chairman of the United States Special Mission of the Economic Co-operation Administration in the United Kingdom, Thomas K. Finletter, in his report to the Senate Foreign Relations Committee, previously quoted, on February 10, 1949:

> "Britain's policy is to step up her gross national product by increasing her production to the maximum, to hold down Governmental consumption by cutting back social programmes instituted when the Labour Government came into power, and then to divide up what is left between exports and capital formation."

Alongside the wage-freeze and social retrenchment at home, the most intensive drive in the modern history of British imperialism was conducted to force up colonial exploitation as the key to British "recovery," not only to balance the accounts at home by the increase of "invisible earnings" and the expansion of dollar exports from the colonies, but to resume the export of capital and the building up of overseas capital accumulation. This was the real inner driving force of the Labour Government's economic and financial policy, which could never be frankly and fully disclosed in public to their own supporters, and for which in consequence it was not easy for them to claim the full credit they deserved from those whose interests they served. For it must be said that from the standpoint of the interests of British imperialism the Labour Government faithfully served those interests within the difficult conditions under which they had to operate—even though the ultimate effect, in the situation of the crisis of the imperialist system, could only lead to a further worsening of Britain's real position.

The Government's Four Year Economic Programme, presented to the Marshall Plan Administration in January, 1949, explicitly set

the aim of "a large increase in the contribution of the colonies to European recovery," the doubling of the production of rubber by 1952, the trebling of the production of tin, the doubling of the output of oil, the increase in the output of copper to nearly double, and the multiplication of "invisible earnings" between sevenfold and eightfold in four years.

Colonial exports (excluding Hong Kong) were forced up from £155 million in 1938 to £922 million in 1950. While a great part of this increase represented increased prices, "the physical volume of goods moving into and out of the territories in 1950 was about one and a half times as large as in the immediate pre-war years" (*The Colonial Territories*, 1950-1). The index of the volume of colonial exports rose from 100 in 1946 to 175 in 1950.

Sterling balances of the dependent overseas territories were more than doubled between the end of 1945 and June, 1951, from £446 million to £908 million—representing in effect the forced extraction of goods, or of dollar payments for goods, from the impoverished colonial peoples for the benefit of London's account to the tune of £462 million in six and a half years with no other payment than a frozen I.O.U.

Extreme official secrecy was maintained over the extent of these sterling balances in respect of key colonies like Malaya, since the figures would have provided a partial indication of the intensified exploitation and consequent colonial basis of Britain's much boosted "recovery" in 1950 and the first half of 1951:

> "When I asked a Colonial Office spokesman last year the amount of Malaya's sterling balances, he pleaded ignorance and referred me to the Treasury. The Treasury spokesman rather testily declared that Britain, as the banker of the sterling area, could not disclose its clients' accounts without their consent. He referred me back to the Colonial Office, where I found that some fairly senior officials had been unable to discover what credit balances the Malayan Federation and Singapore had been piling up. The deputy agent-general for Malaya, whose job is to represent Malaya's economic interests in London, admitted that he had himself tried in vain to obtain sterling-balance figures from the Treasury when he wanted to compare Malaya's earnings with those of other countries.
>
> "This year I made another attempt to get the facts and learned that while some persons in the Colonial Office *do* have them, they would need very special permission to release them for publication."
>
> (ANDREW ROTH, "Britain's Secret Sterling Balances," *New York Nation*, February 23, 1952.)

These methods of intensified colonial exploitation were not only the principal means employed, alongside home cuts and cuts in imports, to transform the deficit on the balance of payments into a temporary surplus. It was also the means to resume the export of capital, despite the extreme difficulties of Britain's balance of payments. Between 1947 and 1951 United Kingdom new investments in the sterling area totalled no less than £996 million.

Table 42

UNITED KINGDOM EXPORT OF CAPITAL TO THE STERLING AREA
1947-51

(*Overseas investment in the rest of the sterling area*)

	£ *million*
1947	270
1948	152
1949	266
1950	155
1951	153
Total, 1947-51	996

(1947 return: *U.K. Balance of Payments*, 1946-50: 1951, Cmd. 8,201; 1948-51 returns: *ditto*, 1948-51: 1952, Cmd. 8,666.)

This was the measure of the real drive of the Labour Government to rebuild the basis of British imperialism at the expense of the standards and conditions of the colonial peoples and also of the British people.

It was primarily on this basis of ruthlessly intensified colonial exploitation that the deficit of £545 million on the balance of payments in 1947 was converted into a surplus of £6 million in 1949. The Korean War, rearmament and United States stockpiling shot up the price of colonial raw materials to dizzy heights in 1950, and thereby made it possible for Britain's surplus on the balance of payments to rise to £258 million in 1950. This was actually acclaimed by the Labour Government's propagandists as a triumph of "socialist recovery" and the "successful overcoming of the dollar deficit."

In reality the "sterling area" dollar surplus of £147 million in 1950 concealed a continuing *United Kingdom dollar deficit* of £105 million. But since the "rest of the sterling area" showed a dollar surplus of £252 million, the United Kingdom as "the banker of the sterling area" was able to enjoy a net favourable balance. The United Kingdom enjoyed a surplus from "the rest of the sterling area" of £245 million, of which £192 million, or nearly four-fifths, represented the income from "invisible exports." The United

Kingdom was able to present a total surplus on its balance of accounts of £245 million, and at the same time to invest no less than £155 million net new capital in the "rest of the sterling area."

This "triumph" was short-lived. It was due to temporary and unstable factors, and not to any real "recovery." The high prices of colonial raw materials simultaneously hit British industry hard. The interruption of United States stockpiling led to a decline in the prices of colonial raw materials and undermined the basis of the exceptionally inflated colonial profits during 1950 and the beginning of 1951. The surplus of 1950 turned into a deficit on the balance of payments of £461 million in 1951. The Labour Government, faced with rising discontent at home, abandoned the field, and called the General Election of October, 1951, to hand over to the Tories to carry forward even more ruthlessly the same basic policy. Cripps' "austerity" was succeeded by Butler's "super-austerity."

4. *Economic and Military Overstrain*

Why have all the measures of government policy since the war proved thus unable to conquer the crisis, which has returned again and again during these years with successively increased violence?

The answer to this question does not only lie in the deeper long-term causes of the crisis, which have been already examined, and which these policies are unable to reverse. It is the direct short-term effects of the policies themselves that have in practice led to further deterioration. The very attempts to maintain and rebuild the imperialist system as the supposed indispensable basis for recovery have in fact intensified the crisis by placing more and more crippling economic and military burdens upon the already weakened British economy, as well as increasing subjection to the United States.

At the same time as the cost of maintaining the Empire, expressed in government overseas expenditure and overseas military expenditure, steeply increased after the second world war, as compared with before it, the tribute income or overseas investment income sharply diminished. What was before a net surplus became a net deficit. Of course the real cost of maintaining the Empire has always fallen on the British people and the colonial peoples, who have always had to pay both in treasure and blood, while the profits have been drawn by the narrow circles of the monopolists. Thus the two sides of the balance sheet are not strictly comparable. A net deficit for the British people can still be profitable for the monopolists. But, subject to this very important qualification, the net deficit on the balance sheet of imperialism which began to appear after the second world war was

a very important symptom. A rough-and-ready picture of the change can be seen from the following table (very rough-and-ready, since the figures include various other items, not immediately relevant, in the government overseas expenditure, and exclude important items in the real tribute revenue; nevertheless, the *direction* of the change is unmistakable):

Table 43

BRITISH OVERSEAS INVESTMENT INCOME AND GOVERNMENT OVERSEAS EXPENDITURE

(£ *million*)

	1938	1946	1950
Overseas investment income (net)	+175	+ 71	+122
Government overseas expenditure	—16	—210	—105
Net Balance	+159	—139	+ 17

(*Source*: *Balance of Payments Yearbook*, 1949-50, International Monetary Fund, New York, 1951, p. 397.)

Overseas investment income had thus fallen in 1946 to *two-fifths* of the pre-war figure. On the other hand, Government overseas expenditure had multiplied more than *thirteen times*. If these two items, taken as a very rough reflection of the most direct expression of imperialist policy, the takings (to put it crudely) on one side, and the upkeep costs on the other, are balanced against one another, a pre-war surplus of £159 million had turned into a deficit of £139 million, representing a net turnover from profit to loss on the imperialist adventure (in relation to the total economy of the country, not in relation to the very comfortable gains of the monopoly enterprises) equivalent to close on £300 million. Even after all the extreme measures of government policy to force up colonial exploitation and reverse this situation had brought the net overseas investment income to £122 million by 1950, this was still two-sevenths below the pre-war figure (much more below, in real values), while government overseas expenditure at £105 million was six times the pre-war level, and the painfully achieved net surplus of £17 million was less than one-ninth of the pre-war surplus.

Inevitably a further examination of all the facts would require consideration of many more factors than these extremely simplified figures. Nevertheless, these simplified figures sufficiently serve their purpose to indicate the indisputable *trend*.

To demonstrate this further, that the imperialist policy is at the heart of Britain's economic difficulties, it is necessary to examine a little more closely the balance of payments during the years since the war. The official propaganda on the crisis invariably presents

a picture of Britain importing and consuming too much, and not exporting enough, as the essence of the problem of the deficit—with the conclusion that the deficit can only be overcome by producing and exporting more, or importing less. An examination of the real facts reveals a very different picture.

The available official returns of Britain's balance of payments are secretive and misleading, as the American-controlled International Monetary Fund has austerely noted:

> "The data reported by the United Kingdom to the Fund for the purpose of its operations, in the form set out in the Fund's *Balance of Payments Manual,* have been designated as not for publication."
>
> (International Monetary Fund, *Balance of Payments Yearbook,* 1949-50, 1951, p. 392.)

Nevertheless, on the basis of the published official returns, the revealing table below can be constructed.

Table 44

BRITISH BALANCE OF PAYMENTS AND GOVERNMENT OVERSEAS EXPENDITURE, 1946-50

(£ *million*)

	1946	1947	1948	1949	1950	*Total* 5 *years*
Balance of payments (surplus or deficit)	—344	—545	—26	+6	+258	—651
Government overseas expenditure[1]	527	359	188	183	166	1,423
		of which				
Overseas military expenditure	374	209	113	110	97	903
Dollar aid[2]	279	812	245	288	163	1,787

Sources: 1946, 1947: *Annual Abstract of Statistics,* 1938-50. 1948: *United Kingdom Balance of Payments,* 1948-51 (2) 1951, Cmd. 8,505. 1949, 1950: *U.K. Balance of Payments,* 1949-1952: 1952, Cmd. 8,666. Dollar aid: *Balance of Payments Yearbook,* 1949-50, International Monetary Fund, 1951.

1 The figure of Government overseas expenditure is the gross total. The official returns up to 1948 deduct income from "war disposals, settlements, etc.," to make a lower net total; but since this income would otherwise have been available to meet the deficit in place of being used for Government overseas expenditure, the correct total of Government overseas expenditure is given above.

2 United States and Canadian Loans, and Marshall Aid after deduction of counterpart funds and O.E.E.C. drawing rights and (in 1950) European Payments Union deficit.

The facts here revealed are in glaring contradiction to the official propaganda on the deficit on the balance of payments, and strikingly expose the *imperialist* character of the crisis.

What do the facts show?

First, that over the five years 1946-50 the total deficit on the balance of payments was £651 million, but that over the same five years *the total Government overseas expenditure was* £1,423 *million or more than twice the total deficit.* Thus the aggregate deficit was in no wise due to excessive home consumption or imports, but entirely to the extremely high figure of government overseas expenditure, reflecting the Bevin imperialist policy.

Second, that *the overseas military expenditure during these same five years totalled no less than* £903 *million or nearly one and a half times the total deficit.* To prevent misunderstanding it should be made clear that this overseas military expenditure does not include costs of the German occupation, of relief and rehabilitation, or administrative and diplomatic expenses, all of which are entered separately. Thus the deficit on the balance of payments during these five years was *entirely* due to Mr. Bevin's overseas military adventures (the Middle East, Hong Kong, Malaya, garrisoning the Empire, etc.). Had it not been for the overseas military expenditure, there would have been no overall deficit problem to vex British citizens.

Even if we take the three deficit years 1946-8 alone, the total deficit during these three years was £915 million, while the total Government overseas expenditure was £1,074 million, or more than the total deficit.

Third, that "dollar aid," represented by the United States and Canadian Government loans and the Marshall Plan subsidies, totalled during these five years £1,787 million, as against £1,423 million Government overseas expenditure. Thus the much advertised "dollar aid," solemnly proclaimed by Ministers as the indispensable prop to save British citizens from starvation and from mass unemployment of one and a half million, was in reality mainly used (74 per cent.) for Government overseas expenditure; and if we add capital exports during the same period, we may say that British citizens never got so much as a mouthful of it for home consumption.

In this way the entire official propaganda on the crisis and deficit on the balance of payments, as supposedly due to excessive imports and consumption at home, and insufficient production for exports, has been a gigantic confidence trick and swindle to conceal the true facts.

The glaring elementary fact that the main immediate cause of Britain's post-war deficit was the gigantic foreign military expenditure of Mr. Bevin and Mr. Attlee, in close association with Mr. Churchill—this was the one crucial fact which was never

mentioned on any poster or leaflet, never whispered on the radio, never admitted by a Cabinet Minister, never divulged by any official economist "explaining" the crisis, and never hinted at by any editorial leader-writer or feature-journalist in the million-sale Press lecturing the Government for its social extravagance at home or the workers for their idle and luxurious habits. It remained the grand guilty secret of the dying British imperialist order to take down with it to the grave. For the workers the little picture diagrams (with all the arts of modern publicity experts to explain abstruse economic questions to a supposed population of morons) continued their little fairy tales. "Imports" would be represented by a loaf of bread and a tasty joint of meat. "Exports" would be represented by the product of John Smith's sweat. John Smith was not paying his way. If only John Smith would sweat harder, there would be more of the loaf and more of the meat, and lots of lovely things. So simple, if you just think it out carefully.

If any daring critic in a Labour conference did sometimes succeed in getting in a word to suggest that overseas military expenditure was the main cause of the deficit, the Cabinet Minister would bridle and declare with burning indignation, "Would you have our little island undefended?" And the troopships would continue to sail to Singapore and Hong Kong for the maintenance of military conquest over very different "little islands" from that understood by the audience.

But the full picture for a correct understanding of the immediate and controllable policy (the imperialist policy) factors underlying Britain's crisis and deficit, is not given only by the direct overseas military expenditure which has constituted the bulk of the deficit since the war. The effect of the colossal arms expenditure and of the withdrawal of manpower for the armed forces and their supply in cutting down and misusing Britain's productive effort has to be taken into account.

A striking demonstration of the waste of resources and increased output through diversion to military purposes was afforded by a survey of D. Seers in the *Bulletin of the Oxford Institute of Statistics* in the summer of 1947. This survey showed that in 1946 national output reached a level 14 per cent. above 1938. In answer to the question where this increased output went, in comparison with 1938, the survey revealed:

Personal consumption . . .	— 2 per cent.
Capital formation	+ 9 per cent.
Public expenditure (administration and social services)	+ 3 per cent.
Defence	+249 per cent.

This was in 1946, while the effects of retarded demobilisation were

still making themselves felt, but before the colossal new rearmament programme and imposition of peacetime conscription of two years.

Already in 1947 the prominent American publicist, Walter Lippmann, was sounding the warning that Britain's rulers were trying to impose upon the country a dangerous and possibly even fatal strain, not in the effort to reach solvency, but in the effort to combine solvency with an ambitious and costly imperialist policy of "far-flung commitments abroad":

> "The task which the peoples in the British Isles have had to set themselves is beyond anything which a free people have ever attempted in time of peace. They are trying to earn enough to maintain an austere standard of life at home and to support their far-flung commitments abroad.
>
> "To make themselves solvent in this sense they need to produce and export abroad 175 per cent. of what they exported in 1938.
>
> "They are attempting to do it with an industrial plant which was for the most part none too modern and under war conditions could not be adequately maintained.
>
> "The margin on which they are operating is too thin."

Nevertheless the new super-rearmament programme was announced in 1950, and increased still higher in 1951. By 1952 war expenditure was drawing £1,634 million, or nearly two-fifths of the budget. The new arms programme meant that by 1953 some two millions of the population, or more than one in eleven of the total working population would be withdrawn from civilian production for the armed forces or for the supply of the armed forces (*Economic Survey* for 1952, p. 21). And the crisis of manpower was being ceaselessly proclaimed in the frantic endeavour to find yet more armed forces for the limitless military commitments.

It is true that during 1952 the most drastic measures, carrying forward the initial measures already introduced by the Labour Government, were put through by the Conservative Government, by the heavy additional cutting of imports, raising of the bank rate, axing of subsidies, general raising of prices, and extension of unemployment in the consumption goods industries, to meet the economic situation along the traditional lines of orthodox finance. The ultimate effect of these measures, whatever their immediate superficial effect on the balance of payments, could only lead to further economic deterioration, since the main immediate cause of the malady—the imperialist policy, heavy rearmament and drive to war—was maintained untouched and even carried forward, while the patient was deprived of vital needs in order to maintain the disease.

What is important is not the particular ups and downs, but the *recurrence* of crisis, the rhythm of a sick organism, the basic

underlying fact of chronic disease, undiminished by temporary, spasmodic and usually artificial lifts.

The true character of Britain's crisis cannot be so easily side-stepped.

5. *Path of National Suicide*

It is time to ask the question: where is this path leading?

With a deficit of £461 million, Britain in 1951 was being made to carry the heaviest arms burden in the world in proportion to population, according to the report of the United Nations European Economic Commission—10 per cent. more than the United States, with its prodigious economic resources, and 67 per cent. more than the Soviet Union, with its sweeping industrial advance. With crying needs of reconstruction at home, plans for capital development were ruthlessly cut or shelved, and the standards of the people lowered, in order to pay for reckless rearmament and for waging costly wars against peoples at the other end of the world.

In a broadcast on March 6, 1952, President Truman described the situation of the British people as one might describe the situation of a starving nation of soldiers:

> "Take the British. They are down to 16 cents (1s. 2d.) worth of meat a week. That makes a mighty small package when the butcher wraps it up. They would have more if it were not for their defence effort."

If the comparative rearmament measure for 1951 given by the United Nations European Economic Commission are set alongside the statistics for industrial development in the same year given in the United Nations World Economic Survey for 1951, the result is instructive:

In 1951 Soviet Union industrial production increased 16 per cent. on the preceding year; 49 per thousand of the working population were engaged in the armed forces or their supply.

In the United States in the same year industrial production increased by 11 per cent.; 74 thousand of the working population were engaged in the armed forces or their supply.

In the United Kingdom in the same year industrial production increased by only 3 per cent., or nearly the bottom of the list; 82 per thousand of the working population were engaged in the armed forces or their supply.

Such is the crazy outcome to which the imperialist policy has led Britain in place of a constructive attempt to solve the urgent problems of its economic situation.

The conclusion is inescapable. The pursuit of a costly imperialist policy by Britain's rulers during the years since the war, on the

basis of a sick and weakened home economy, has involved and is involving Britain in ever deeper economic and military contradictions. The endeavours to solve the crisis on the old imperialist basis are intensifying the crisis.

It is not surprising that even the "philanthropic" rulers of America, whose generous "aid" for "recovery" has so ironically accompanied Britain's downward path, should begin to write off Britain as a wasting asset and possibly hopeless liability:

> "Listening to them talk here in Washington these days, you can't escape the conviction that their doubts are rising. They admit in private talks that Britain—with all the aid the United States has given her—is in no temporary easy-to-solve crisis. They know the several hundred million dollars of stop-gap economic aid they're planning won't get Britain off the financial hook except temporarily.
>
> "They fear even bucketsful of extra aid on top of that for years to come wouldn't do the job. They figure the way England's going now, that country is permanently on the financial skids, and no amount of gifts from the United States can do more than put off the evil day of reckoning."
>
> (*Wall Street Journal*, December 21, 1951.)

The "bucketsful of aid" have indeed not solved Britain's crisis. On the contrary, they have intensified it. After all the paeans of praise for the Marshall Plan as the "sheet-anchor of salvation" and "path of recovery" (alleged to be opposed only by wicked Communists with their vested interest in economic misery as the supposed starting point for their sinister plans), the leading American publicist, Henry Hazlitt, had to draw the rueful verdict on its conclusion:

> "We have been repeatedly told about the 'miracle of recovery' brought by the Marshall Plan in Europe. And suddenly another European crisis is upon us....
>
> "It is an open question, when we consider the present French and British crises, whether Europe would not be better off to-day if we had never given it a dollar of Marshall Aid."
>
> (*Newsweek*, December 3, 1951.)

Much earlier, already in 1947, a prominent British economist had pointed out that the method of dependence on American subsidies had in fact served to drag Britain down along the Bevin-Churchill road of reckless and costly imperialist adventures and expenditure in place of home economic reconstruction:

> "The very existence of the loan has enabled the Americans to impose on us obligations which we should otherwise have

> been forced to reject, because they would have been altogether beyond our immediate power. We should have been unable to go on garrisoning Greece against the Russians, or dallying disastrously in Palestine, or acting as capitalist policemen throughout the Near and Middle East....Rejection of the loan, had it been possible, would have forced us at once to restrict our military and imperial commitments and to come to terms with the Soviet Union....We should have been under the sheer necessity of reorganising our own metal and engineering industries to meet the demands of industrial re-equipment."
>
> (G. D. H. COLE, *New Statesman and Nation*, April 5, 1947.)

This was before the much heavier burdens of the Atlantic Pact, the Korean War, the enlarged rearmament programme, and the effects of the American-financed heavy industrial re-equipment and remilitarisation of Western Germany and Japan.

The policy of heavy overseas commitments and rearmament, with the aid of dwindling American subsidies, in order to maintain the weakening grip of a parasitic ruling class upon the Empire, has not only prolonged and deepened Britain's economic crisis. At the same time this policy has brought Britain into increasing subjection in practice, alike in the economic and trading sphere, in foreign relations, and in military affairs, to the rulers of the United States. The very policy which was intended to strengthen and reinforce the weakening hold on the Empire by the aid of the American alliance has in fact resulted in the increasing surrender, not only of the Empire, but also of Britain, to the domination of the United States.

The combined outcome of this entire policy can only lead to economic, political and finally military suicide.

Behind the already relentless scourge of recurrent economic crisis and menacing catastrophe looms the spectre of an American-inspired atomic war and of the prospect which it would mean for Britain.

There is no room for illusions about the consequences which the American strategic plans for using Britain as its main "expendable" atomic base in Europe could bring for the fate of this island and its population.

If Britain were so used, if Britain were made the American atom bomber base against Europe, then Britain would be necessarily and inevitably and justifiably and correctly the principal military target in a war of this character. It has been estimated that all the docks could be rapidly put out of action and made unusable for years by an atomic bombardment. Mass starvation and destruction would under such conditions face the population.

In the final conclusion of such atomic war the rest of the world, though stricken, will survive. But what would be left of Britain?

What is left of Britain might become a devastated, uninhabitable radio-active ruin, ringed round with warning buoys for mariners: "Danger! Do not Approach! Unfit for Human Occupation!"

That might be in a certain sense a "solution" of the problem of Britain in the world. The extirpation of the old pirate's nest might leave the world a more peaceful place. But it would be a regrettable end for a people who have over many centuries greatly contributed to civilisation, and who have still a great contribution to make, and whose main fault to-day is only that they are too patient, long-suffering and trustful in a set of rulers unworthy of their trust.

It is time to change the course before it is too late. The black perspective suggested for Britain by American military experts is not inevitable. It is fully within the power of the British people to ensure a very different and happier future. To this positive alternative it is now necessary to direct attention in the concluding sections of this survey.

CHAPTER XV

THE LIBERATION OF BRITAIN

"This England never did, nor never shall
Lie at the proud foot of a conqueror,
Save when it first did help to wound itself."

SHAKESPEARE.

THE time has come when the crisis of empire has to be recognised in its true character, and practical conclusions drawn.

The gloomy picture of Britain's post-war situation and threatening catastrophe painted in the previous chapter is not the inevitable prospect or the only road for Britain.

It is true that Britain's present difficulties are basically the unhappy inheritance of the whole preceding imperialist development, and that the only final solution requires the advance to a new social, economic and political structure. But this bankrupt inheritance finds its expression in the present policies of the imperialist ruling class, and of their political representatives, who cling obstinately to the old basis, and continuously worsen Britain's situation in the endeavour to maintain a derelict system. The origins of Britain's crisis may lie in the past. But the immediate efficient cause which prolongs and intensifies it, and prevents recovery, lies in policies which do not correspond to the needs and interests of the British people.

These policies can be changed. The past need not for ever strangle the present and the future. And the representatives of the future are in fact arising, within the working-class movement in the first place, and among the widest sections of the people, to change the old policies and to open out a new prospect for Britain.

Such a new future, however, does require a decisive break with the old policies of imperialist parasitism, colonial wars, lining up with reaction throughout the world, super-rearmament and dependence on the United States.

It is necessary to restore the national independence of Britain and establish a new basis of relations with the peoples of the present Empire.

It is necessary to take an active initiative for world peace and for international economic co-operation.

It is necessary to undertake serious tasks of technical, economic and social reconstruction at home in order to establish Britain on a healthy self-supporting productive basis, instead of as the rentier centre of colonial exploitation or subsidised pensioner and pawn of a stronger imperialism.

1. *Restoration of National Independence*

The first essential necessity for the recovery of Britain is the restoration of Britain's national independence from American domination. Without such national independence all other programmes and measures of policy for rehabilitation would be illusory castles in the air.

The reduction of Britain to client satellite status in relation to the United States has been accomplished by such a series of gradual stages, and under such a mystifying variety and complexity of misleading outward forms, that the real subjection is only partially recognised by the majority of the population—is felt and sensed emotionally and instinctively by the ordinary man rather than clearly understood—and is of course in official language on both sides completely and sedulously denied.

Hitler described the technique of conquest by stages in his *Mein Kampf*:

> "A shrewd conqueror will always enforce his exactions only by stages.... The more numerous the extortions thus passively accepted, so much the less will resistance appear justified in the eyes of other people, if the vanquished nation should end by revolting against the last act of oppression in a long series. And this is especially so if the nation has already patiently and silently accepted impositions which were much more exacting."

The colonisation of a country does not always take place by the simple process of direct and violent conquest and annexation. In the case of a major developed country, with an old civilisation—often older than its invaders—and strongly entrenched traditional political institutions, the process of penetration and eventual subjugation is often more subtle and gradual. India—the classic land of the entire history of the modern colonial system—is a case in point. British rule in India was long concealed behind the forms and trappings of the august and picturesque, still nominally supreme and sovereign, but in reality decrepit, Mogul Empire, before the real seat of power was openly proclaimed. The British came as traders and suppliants; they established their bases

by treaty rights conceded from the sovereign power; they developed as allies, financiers, advisers, donors of subsidies, military organisers; they utilised and exacerbated political divisions (just as the American rulers have utilised and exacerbated the division of Europe into East and West, and even the partition of Germany); they supplied armed forces, commanded the armies of their political proteges, and participated in wars, mainly with native forces, rather than with their own, but under their command; they became the power behind the throne in all the affairs of India, even though they continued to rule behind the shadow of native princes and within the confines of ancient kingdoms and empires. The ordinary simple Indian might still imagine that he was ruled by his local prince who owed his allegiance to the Mogul Emperor, and regard the British with disdain as merely vulgar and resented foreign interlopers representing a barbarically energetic but inferior civilisation. It took one and a half centuries from the foundation of the East India Company to the establishment of its direct rule; it took two and a half centuries before India was finally annexed as a subject colony under the British Crown.

It is a grimly ironic revenge of history that this technique of gradual penetration and subjugation characteristic of the British colonisation of India between the seventeenth and nineteenth centuries should now be reproduced in our time, with so many analogies, despite the profound differences in conditions, in the original homeland of the invaders of India, in Britain and Western Europe.

The initial Anglo-United States Loan Agreement of December, 1945, began the enveloping process in the economic field. The stipulations which the Agreement imposed for non-discrimination were designed to prise open the British monopolist hold on the Empire. The stipulations for convertibility were designed to disrupt and destroy the sterling bloc. The successive stages of penetration and domination during the following half-dozen years have already been traced in the previous chapter on America and the British Empire. It was not until 1947 that the Marshall Plan established permanent organs of American economic supervision in Britain, reporting periodically to Congress on Britain's fulfilment of the scheduled programme laid down for it. It was not until 1948 that the American military occupation of Britain began, at first in the pretended form of temporary training arrangements, later with open declaration of its permanent character, with ceaseless enlargement and extension of its bases and forces, enjoying extra-territorial rights and not subject to British law-courts. It was not until 1949 that the Atlantic Pact drew Britain formally into an armed satellite coalition under effective American control. It was not until the same year, 1949, that trade bans originally drawn up in Washington were imposed on Britain's trade. It was

not until 1951 that British armed forces were brought under American Supreme Command.

This process of gradual step-by-step whittling away of national sovereignty was described by the *Economist* of April 29, 1950:

> "Is it so certain that sovereignty only cedes to a frontal attack? May it not be diminished by an infinite multiplication of acts of co-operation which create the habit of confidence and concession? All those who have worked closely in the O.E.E.C. agree that in a hundred ways joint actions are possible now which would have been inconceivable in 1947. The habits of co-operation which an Atlantic Council may foster can lead in time at least to the degree of unity and understanding that prevails within the British Commonwealth, and that, after all, is no small thing."

Quoting this, the author of *American Imperialism* (1951), Victor Perlo, comments:

> "Already it would not be far from the fact to describe Britain as a member of the 'United States Commonwealth,' with perhaps some more independence of the master than India had in the old British Empire, but somewhat less than Australia had in the empire. Indeed, not a 'small thing' for the one-time mistress of the seas."

To-day a situation has been reached in which a very high degree of American domination has in practice (not formally, not in law) been established in British economic, political and military affairs. This domination is exercised, not only in the general sphere of high politics and means of pressure on a weaker ally to toe the line (conspicuously demonstrated in the up to the present habitual "Yes, sir" line of the British and French representatives in the United Nations, deferentially following the United States lead, and not even allowing themselves an Indian measure of latitude of token divergence), but also through a complex structure of forms and special organisations. These range from the myriad ramifications of the United States Embassy apparatus, through the American-controlled structure of economic supervision organs and offices (originally, E.C.A., then M.S.A.), the Atlantic Pact Council organisation, the War Production Co-ordination office, etc., to the American Military Command in Britain and the American Supreme Commander's headquarters in Europe.

In the political sphere the decisions of policy are still traditionally announced to the British public from Downing Street, or from the B.B.C. (occasionally, even, in Parliament); but during recent years there has been no major decision of policy whose origin cannot be plainly traced from Washington. It is only

necessary to examine a few of the principal examples of major decisions of policy in the recent period to demonstrate this.

(1) *Devaluation.* Sir Stafford Cripps as Chancellor of the Exchequer pledged himself nine times in public that he would never agree to devaluation. American pressure on the pound reached a high point in the summer of 1949; American financial comment pointing to the devaluation of the pound was met with emphatic denials in the British Press and British official quarters. In July, 1949, the United States Secretary of the Treasury, Snyder, visited Sir Stafford Cripps in London. Unofficial press comment stated that his purpose was to press devaluation on the unwilling British Government. In August the British Government decided to devalue; and the decision was announced first in Washington the following month.[1]

(2) *Trade Bans.* The list of "strategic" articles prohibited for export to the Soviet Union and People's Democracies was originally drawn up and issued in Washington. Subsequently a Board of Trade Order was issued given a corresponding list of prohibited articles (of course without reference to its Washington origin).

(3) *Korean War.* On the outbreak of the war in Korea on Sunday, June 25, 1950—

> "the Foreign Office on Sunday would not comment 'because of the lack of official information reaching London.' It was still waiting for information from Captain Vyvyan Holt, British Minister to Seoul. 'For the time being,' the Foreign Office said, 'we are following the American lead.' On Tuesday morning the diplomatic correspondent of the London *Times* reported: 'Only brief dispatches, *confirming the outbreak of fighting,* have been received from Captain Vyvyan Holt' (italics added). At the Security Council the British representative had already voted on Sunday to brand North Korea the aggressor. But Britain's

1 It is entertaining to watch the somersault which the unhappy **Daily Herald** had to carry out during the critical month of September, 1949, illustrating the way in which the Government's decision to give way to the American pressure was concealed from its official organ, which to the very last day was proclaiming triumphant and unyielding resistance to the American pressure on the pound:

September 2. U.S. DROPS CAMPAIGN AGAINST THE £.
September 12. THOSE WHO HAVE BEEN PREDICTING DEVALUING THE £ WILL BE DISCREDITED.
September 14. THE £ GOES UP IN NEW YORK.
September 16. NO TRUTH IN THE TALK ABOUT THE DEVALUATION OF THE £.
September 17. NO PRESSURE ON THE £.
September 18. DEVALUATION ANNOUNCED.

The City Editor of the **Daily Telegraph** commented: "Devaluation of the pound, after Sir Stafford Cripps' repeated denials, will come as a profound shock to the City." **The Times** commented on September 20: "It cannot have been by willing choice that the Government decided that this drastic step had to be taken."

own representative in Seoul could do no more than confirm 'the outbreak of the fighting.'"

(I. F. STONE, *The Hidden History of the Korean War*, 1952, p. 49.)

In other words, Britain was hustled into the war in Korea, and into falsely declaring the Korean People's Republic the aggressor, without evidence, and before receiving any report from its own representative whose subsequent report gave no confirmation of the false allegation—because, in the revealing words of the Foreign Office, *"we are following the American lead."*

(4) *West German Rearmament.* The British Foreign Minister, Ernest Bevin, declared in the House of Commons on March 28, 1950, that "we have set our faces against the rearming of Germany." In September of the same year Mr. Bevin was summoned to Washington and announced that he had agreed to the principle of German rearmament:

> "Mr. Bevin went to New York, determined to prevent the precipitate rearmament of Germany....He failed....Faced with an American ultimatum.... he toed the line."

(*New Statesman and Nation*, December 2, 1950.)

(5) *British* £4,700 *million Rearmament Programme.* On July 26-7, 1950, the House of Commons debated exhaustively and voted an increase of £100 million on the arms estimates of £780 million. Parliament went into recess.

On July 26 the United States Government dispatched a note to the British Government demanding an immediate reply on proposals for British increased rearmament. The American Press poured scorn on the £100 million increase as utterly inadequate.

On August 3 it was announced that the British Government, while Parliament was in recess, i.e. without consulting Parliament, had decided on a £3,400 million three-year rearmament programme. The announcement was officially made *in a Memorandum to Washington,* handed to the United States Ambassador on August 2. Next morning the British public were allowed to learn of their fate through the Press and B.B.C. publication of the text of the Memorandum to Washington. Parliament had no say. The Memorandum began:

> "His Majesty's Government in the United Kingdom have been requested by the United States Government to inform them concerning the nature and extent of the increased effort, both as regards increased forces and increases in military production, which His Majesty's Government are willing and able to undertake."

The Memorandum to Washington then went on to detail the branch manager's compliance with head office instructions. All that was missing was to conclude: "And your humble and faithful lieges hereafter for ever wish you mud in your eye." *The Times* of August 4, 1950 commented (italics aded):

> "*In response to the American request*.... the Cabinet have now agreed to a provisional three-year programme which involves a much bigger increase in defence expenditure than was at first contemplated."

On September 12 the Prime Minister announced the further increase of this programme to £3,600 million. Mr. Attlee explained to the House of Commons (obviously in the hope of being overheard by his American masters) that this figure represented the final uttermost physical limit of what the country could accomplish—"we are reaching the limit of what we can do unaided without impairing our economic position."

But it was not to be the limit. The American taskmaster demanded further increases. In December the North Atlantic Council was called together in Brussels. Britain was met with the demand for staggering further increases in the rearmament total. The ever-obedient Mr. Bevin (the lapdog painted to look like a bulldog) complied and gave his promise:

> "At the Brussels meeting of the North Atlantic Council on December 19 the Foreign Secretary said that in view of the urgent need to strengthen the defences of the free world, His Majesty's Government had decided to increase and accelerate their defence preparations still further."
>
> (Mr. ATTLEE in the House of Commons, January 29, 1951.)

On January 29, 1951, the Prime Minister announced the further increase of the programme to £4,700 million.

Such is the history of the disastrous £4,700 million rearmament programme, which has governed the whole subsequent economic and political situation in Britain, and which was imposed under American pressure.

In the eyes of the present political leaders of the Conservative Party, as well as of the so far dominant ruling circles of the Labour Party, and of the servile megaphone Press and organs of publicity, this subordination of Britain to the United States has up to the present been regarded as inevitable, necessary and desirable. The keynote of modern British official policy, and the paramount governing consideration, was given explicit expression by Mr. Churchill in the House of Commons on May 10, 1951, when he

declared (with reference to the question of trade with China) that the aim of British policy must be to—

> "make the United States feel that their case is our case, and that we mean at all costs to be good friends and allies."

"*At all costs*," i.e. at the cost of Britain's economic ruin, the handing over of the Empire to American domination, and the final military destruction of Britain. The old Tory slogan of "My country right or wrong" used to receive justifiable criticism from true patriots. But the new Tory slogan appears to be: "America Right or Wrong."

The same humble, servile outlook was expressed by Herbert Morrison as Foreign Minister, when he boasted proudly to the Labour Party Conference demonstration at Scarborough in October, 1951, on his return from the San Francisco Conference:

> "In San Francisco, although a representative of a Labour Government, I was received on absolute equality with the Foreign Ministers of other countries."

To this level had a British Foreign Minister descended that he was grateful and even bursting with pride not to have been sent by his American masters to the servants' hall.

Even this modest claim of Mr. Morrison to a pretence of a show of "equality" was not to be allowed to continue. By the time of the Washington meeting of the North Atlantic Deputies in the beginning of 1952 *The Times* of January 14, 1952, explained to the bewildered British public that a stage had been reached when it was obviously impossible for Mr. Acheson "to be able to accept any other Foreign Minister as an equal."

In the same spirit of obsequious deference of the servant to the master, the manager of the Tory Party machine, Lord Woolton—with his ample experience in inculcating the spirited deportment of a shopwalker—explained the necessity of British subordination to American leadership:

> "To-day Americans know that they are the dominant Power in the world: they take pride in the position, they accept the responsibility of it, and they expect the rest of us to recognise their leadership."
>
> (LORD WOOLTON in the *Sunday Times*, July 16, 1950.)

Or, to take another example of characteristic bootlicking, which might have raised the eyebrows of a Pitt or a Palmerston, but is to-day so commonplace as scarcely to arouse comment:

> "We British must recognise that American policy must prevail, if there is an honest difference of opinion between us

as to what to do next in the world struggle. He who pays the piper calls the tune."

(COMMANDER KING-HALL, *National Newsletter*, June 28, 1951.)

This outlook of servility is by no means shared by the British people. It is certain that the deepening conflict, not only reflecting the national sentiment of the people against American domination, but also the trading, commercial and financial rivalry between American and British capital, will lead to increasing sharp cross-currents and the growth of resistance among all sections in order to end this American domination and restore Britain's freedom of action.

American official alarm at the preliminary signs of such resistance and of such stirring towards independence has been as outspoken as it has been revealing. Whenever tones of resentment at this subordination sound from the British people, and echoes of it make themselves heard through the thick layers of official wadding and chloroform, American expression turns roundly upon Britain to rebuke Britain for ingratitude and "isolationism"—in effect, for "un-Atlantic activities." This was strikingly demonstrated when the rising tide of popular anger and rank and file pressure, following Mr. Churchill's visit to Washington in January, 1952, and his reported acceptance of dangerous commitments to follow in the wake of American aggressive policy in the Far East (in fact, continuing and extending similar commitments already accepted by Mr. Attlee), compelled the reluctant Mr. Attlee as Leader of the Opposition to divide the House of Commons on a very confused and contradictory motion of simultaneous endorsement of the policy and declaration of no confidence in the Government, and to make some faltering and half-hearted criticisms. The American Press immediately turned upon the insubordinate Mr. Attlee:

"British isolationism has reached a new peak.... The British policy to which both parties subscribe is that the Korean War is a mistake.... It comes with ill grace from a man of the stature of former Prime Minister Attlee to say in the midst of debate that he believes the American people are in effect warmongers and that sentiment in the United States is eager for an all-out world war. There have even been intimations that the American Government has not been sincere in its conduct of the truce negotiations. Such comments from Moscow would not have been surprising."

(*New York Herald-Tribune*, February 12, 1952.)

Thus even the obsequious Mr. Attlee is accused of regarding the Americans as "warmongers." Truth will out.

The slave-driver may crack his whip—but British resistance is indubitably rising. It cannot be concealed by all the fawning obedience of the official Press and the Treasury Front Bench and the Government of Sons of American Mothers:

> "He shared with Mr. Churchill and Mr. Crookshank one special advantage in this matter—they all had American mothers."
>
> (HAROLD MACMILLAN in the House of Commons, February 26, 1952.)

In truth, these representatives all recognise their loyalty to their American Motherland. As Mr. Churchill proclaimed to the society of the "Sons of Cincinnatus" in January, 1952, on the occasion of being invested with the Order of the Eagle:

> "I am proud of my American ancestry. I think it wonderful that I should have the honour to rejoice in that fact—while at the same time I have never failed in my constitutional duty to my own country."

The nice distinction between the reverberating "pride" in the "American ancestry" at the opening, and the hasty afterthought reference to "constitutional duty" at the close, is characteristic of the present stage.[1]

The latent conflict of the first signs of the British liberation struggle is still overlaid with oceans of official soft soap, unctuous platitudes and insincere mutual compliments.

Of course Simon Legree loves Uncle Tom; it is really a touching relationship, which only stony-hearted abolitionists would wish to break. Simon loves the quaint customs and habits of the natives, their beautiful landscape, their historic castles and treasures. He loves their beautiful landscape so much that he is ready to bulldoze it out of existence for airstrips; and he loves their ancient castles and treasures so much that he is ready to transfer them, stone by stone, or canvas by canvas, to his home address. He loves the old country dances of the peasantry so much that he is ready to re-export them back to Britain under the title "American square dances" to be learned by the native youth as "the latest American craze," along with all the other lore of the gangster comics and sadistic Supermen.

He has even reached the stage of sophistication when he can laugh at the "*babu* American" so painfully and vaingloriously dis-

1 In the same speech Mr. Churchill quoted the elder Pitt: "If I were an American as I am an Englishman, and foreign troops were landed in my country, I would never lay down my arms — never, never, never." Mr. Churchill tactfully refrained from drawing the obvious contemporary application.

played by zealous native aspirants. The New York weekly journal, the *New Republic*, recorded:

> "Europe is gradually being reduced to a low colonial status *vis-a-vis* America, speaking a kind of *babu* American which is laughed at by those who know the real thing and yet is indulged in proudly by its practitioners as representing the new world, 'the wave of the future.'"
>
> ("American Culture in Britain," *New Republic*, January 28 1952.)

Shades of Kipling! The whirligig of time has taken its revenge. The "Haw-haw" laugh of the British Nabob over his obsequious "Bengali *babu*" retainer has indeed become transplanted. Like the former Eurasian "loyalist" quislings under the old British Raj, the new Yankee *babus* sit on the Treasury Front Bench and boast of their American mothers. It remains for an American journalist to describe the *bhadralog* of the Labour Party.[1]

The outlook of humble subservience to United States domination and superiority as the "leader" of "Atlantic" civilisation against Communism and the Soviet Union is not far removed from the corresponding previous outlook of the quislings in the satellite governments of Western and Central Europe during the war to Hitler as the "leader" of "United Europe" and the "Anti-Comintern Pact." Indeed, in some cases the association is more than close, as in the instance of the French Premier in the summer of 1952, M. Pinay, who had been a national councillor of Petain, and who continued his method of the prosecution of Communist patriots as "traitors." In view of the current loose journalistic habit of misusing the term "quisling" as a meaningless synonym for any small-time traitors (or even, by a supreme irony, for the Communist patriots who fought the quislings), and thus to seek to conceal its true and profound significance, it is worth recalling the historical facts of the outlook of Major Quisling, from whom the term originated, as proclaimed by him in his trial:

> "The Judge asked what he meant by 'Great Germanic Community.' Quisling replied: 'A corporation of the Nordic Scandinavian States with all other Germanic peoples—that is, Germany, Great Britain, France and the United States.'"
>
> (Quisling on trial, *Times*, August 23, 1945.)

1 It remained for **The Times Literary Supplement**, that unhappy organ of official subservient "educated opinion," to touch the lowest depths: "Perhaps America is the only country capable of providing the West with an ideology.... It is difficult to think that the West could adopt any other ideology than an American or American-sponsored one." (**Times Literary Supplement**, August 24, 1951.) Such is the degradation reached in the official Press of the country which once gave birth to Shakespeare.

A tolerably close description of the Atlantic Pact as the ideal of the historical Major Quisling. Quisling was in short a Munichite, and had been decorated by the British Crown.

This subservient outlook corresponds to the current outlook of the at present dominant sections of the imperialist rulers of Britain. The imperialist financial oligarchy in Britain, wholly cosmopolitan in their outlook, interests and connections, eagerly cling to the American alliance to maintain their possessions and continue to receive what they can of their super-profits. For this higher aim they have no compunction in sacrificing the national interests of Britain to American domination, any more than their Munichite predecessors had any compunction in sacrificing Britain's national interests to the expansion of Hitler, so long as Hitler maintained hostility to the Soviet Union.

But this time the price is heavier. The Munich policy cost Britain dear. But Hitler was never able to control Britain's currency and trading policy, or to establish armed occupation of Britain in peacetime. This time the price includes the sacrifice of the ancient island centre of the Empire as the "expendable" "pawn" of American strategy, with the prospect of its military destruction and the extermination of a great part of its population in the event of war.

> "If the threatened war comes, one of the leading American generals said not long ago that while London and most of Britain would be quickly destroyed, Britain would remain useful as an aircraft-carrier for American bombers; they would still be able to use the excellent aerodromes built by Americans in East Anglia."
>
> (*New Statesman and Nation*, March 27, 1948.)

Such is the charming prospect held out. No doubt it should be a consolation for the British people to know that their island can thus continue "useful" after they are all dead. But it is probable that they would prefer to be useful to the world in a more active and fruitful capacity.

The exclusive levels of the highest ranks of the financial oligarchy and their immediate retainers—the multi-millionaires (if they have not already long before settled in the Bahamas), the top business executives, the Cabinet Ministers, the General Staff, the senior civil servants, the Press barons or the most favoured imperialist right-wing leaders—may still be able to contemplate this prospect with philosophic equanimity in the interests of the higher strategic aims. Their plans are prepared in the case of necessity to retreat to Ottawa or Washington in order to continue with unflinching resolution the fight from there.

But for the mass of the British people there is no escape from

the disastrous consequences of the policy of their imperialist rulers, either from the present economic ruin or the possible future military destruction. They must live or die in Britain. Britain is their home. Britain is their country—even though they have still to become its masters.

Therefore for the mass of the British people the restoration of the national independence of their country from the present American domination is literally a question of life or death.

The conquest of the national independence of Britain from the stranglehold of the American imperialists and their quisling servitors within Britain is equally bound up and integrally linked, in present conditions, with the parallel and common struggle for national independence of all the peoples of the British Empire from the stranglehold of the British and American imperialists and their local quisling servitors. It is also bound up with the fulfilment of the national rights of the Scottish and Welsh peoples, and the ending of the enforced partition of Ireland. These questions, and the question of the future relations of the peoples of the present British Empire, it will be necessary to examine further in the concluding chapter.

It is sometimes argued by the advocates of the present American "alliance"—actually, American economic, political and military overlordship of Britain—that this sacrifice of the "obsolete" conception of "national sovereignty" is inevitable and necessary, and cannot be escaped or changed, because "America is the stronger" and "Britain has no choice." "We are helpless," it is urged. "We are dependent on America." Or, in the charming words of the *Economist*, previously quoted, the American Government has "the power to make the British Government jump through any hoop they choose."

This argument is obviously on the face of it the argument of a slave, who has already surrendered his right to freedom. It was the characteristic argument of Petain, of Vichy. It was the argument that was never accepted by the resistance movement. And it was the resistance movement that won in the end.

But it is a false argument. It is not true. It does not correspond to the facts.

So far from Britain being inevitably dependent on the United States, it is the American imperialists who are dependent on British subservience for the fulfilment of their economic and strategic plans. The American imperialists have lost out in China. They have failed to establish their domination over one-third of the world. And the remainder of the world is restive under their yoke. Asia is hostile to them. They have no longer confidence in their hold on Western Europe, in face of the opposition of the majority of the French and Italian peoples, despite all the attempts to break the leadership of the Communist Party in the working class, and in face

of the mass discontent in Western Germany. Britain remains for them the decisive base and bulwark, without which they cannot hope to fulfil their vast ambitions for world expansion and domination. And they are visibly beginning to lose confidence in the political future in Britain.

It is Britain which has the whip hand, once the true situation is realised. It is Britain which has the opportunity in the present world situation to take the lead for independence, for a policy of peace, for a policy of international co-operation, and thereby bar the way to the menace of American imperialist world expansion and a new world war. The British people can, by changing their present rulers and the present policies, throw their decisive weight into the fight for world peace and international co-operation, and in so doing can regain their own national independence.

2. *Britain and World Peace*

Britain has a vital interest in world peace, at least as great as, if not greater, than any other country in the world. Britain has not recovered from the effects of two world wars. Britain is most vulnerable in the conditions of a modern world war.

Yet it is a startling paradox that Britain should be carrying the heaviest rearmament burden in the world, in proportion to population, and should be most actively involved in the present drive to war and in the vehement rejection of every proposal for peace negotiations.

The apologists for this policy endeavour to defend it as a policy whose ultimate aim is peace. Powerful armaments, they argue, and an overwhelming superiority in armaments represent the best security for peace.

> "It is not a balance of power that creates peace, but an overwhelming preponderance of power on the side that has no interest in war."
>
> (*Economist*, June 7, 1952.)

The assumption that one side only "has no interest in war" begs the whole question involved in every arms race, and comes the more oddly from the representatives of the Atlantic Coalition of Powers which are actively engaged in a whole series of wars of invasion of other countries.

All history proves the contrary. Let us call to witness the former Liberal Foreign Secretary under whose guidance Britain was plunged into the first world war. Reflecting in his declining years on the chain of events that led to this catastrophe Viscount Grey drew the moral:

"More than one true thing may be said about the causes of the war, but the statement that comprises most truth is that militarism and the armaments inseparable from it made war inevitable. Armaments were intended to produce a sense of security in each nation—that was the justification put forward in defence of them. What they really did was to produce fear in everybody. . . .

"The lesson of European history is so plain. It is that no enduring security can be found in competing armaments and in separate alliances."

(VISCOUNT GREY OF FALLODEN, *Twenty-five Years*, 1892-1916, Vol. II, pp. 52, 274.)

The "lesson" has not yet been taken to heart by the advocates of the Atlantic Coalition.

From the side of the representatives of the previous generation of leadership of the labour movement the same testimony can be drawn from the former Labour Foreign Secretary, Arthur Henderson. Exposing the fallacy of the old argument, "If you want peace, prepare for war" ("Peace Through Strength"), Henderson wrote:

"That method in the last analysis rests on contradictory arguments: on an attempt to perform the impossible feat of each state being stronger than its neighbour. It entails the reversion to international anarchy. . . .It can hardly be called a risk because it has throughout history proved a certainty. It has always ended in war and always will."

(ARTHUR HENDERSON, *Labour's Way to Peace*, 1930, p. 43.)

"It has always ended in war and always will." The voice sounds from the grave from Labour's former Foreign Secretary to the present labour movement. The warning is written for all to see, from two world wars, in letters as large as life and as merciless as death.

On all sides in Britain and Western Europe, in Asia, and also within the United States, questioning is growing of the present policy which is driving to war, and the demand is spreading for a policy for peace.

The fear of peace has begun to assume panic proportions in the ruling circles of the United States. Already by 1948 the alarm was sounded:

"Peace if it really arrived would upset things. At present arms expenditure and aid to other countries are bolstering business."

(*U.S. News and World Report*, December 31, 1948.)

> "Only an improved international situation can dim the business outlook."
>
> (*Journal of Commerce*, March 23, 1948.)

The Korean War came as a salvation according to the *U.S. News and World Report* in the summer of 1950:

> "Just when people thought the boom might be tapering off, the war in Korea set off a new boom. It's really a made-to-order situation to keep business at a high level."

By 1951 the fears rose to a new height:

> "The possibility of a temporary truce haunts United States policy planners."
>
> (*Business Week*, April 12, 1951.)

> "The foreign policies of this country, Britain and France have now entered a truly agonising crisis. The cause is the so-called peace offensive now being carried on by the masters of the Kremlin."
>
> (*Washington Post*, April 16, 1951.)

> "Sudden peace could work havoc with business."
>
> (*New York Times*, May 20, 1951.)

The rulers of the United States have become uneasily aware of the rising hostility of the peoples of Europe and Asia to their war plans:

> "Underneath the surface the tide of opinion is running against the United States in both Europe and Asia. Resistance to United States ideas is growing. Irritation with United States power and behaviour is mounting. United States popularity overseas is fading....The average person in Europe or around the rim of Asia recoils from war. He wants no part in it. And he is beginning to blame the United States... for pushing the world toward a third world war."
>
> (*U.S. News and World Report*, June 2, 1951.)

Walter Lippmann, the most influential of American political commentators, drew a similar conclusion:

> "The Administration's foreign policy during the past year has created the impression here and abroad that it places virtually complete dependence upon military and material power....That this impression has been created and that it has spread around the world is certain....It is reflected abroad

in a drastic decline of American popularity among the broad masses of the people....We have allowed ourselves to become identified with the idea that war is inevitable and that our whole foreign policy is determined by the strategic necessities of the United States. So long as that is the picture of ourselves which we permit mankind to regard as the true picture, no money we appropriate for armaments and no contributions we make to recovery can arrest the breakdown of American influence abroad."

(WALTER LIPPMANN, *New York Herald-Tribune*, June 1, 1951.)

What is the reason for this growing hostility on all sides to the current American official policy? It is the spreading recognition that the menace of war arises, not from the Soviet Union, as the advocates of the Atlantic Pact allege, but from the United States. Gloomily the American militarists have begun to complain that the old Hitlerite "Bolshevik bogy" and lurid propaganda about the "menace of Russian hordes overrunning Europe" is ceasing to have its effect among the European peoples concerned, who are evincing more alarm over the actual overrunning of their countries by their supposed "protectors." The former President of the United States, Herbert Hoover, reported in the beginning of 1952 that "there is in Europe to-day no such public alarm as has been fanned up in the United States," because he found the argument prevalent in Europe that "the Russian ground armies could have overrun Europe in a two months' campaign any time in the past five years" and had shown no sign of doing it. Even the cautious *Times* noted in an editorial:

"Russia held her hand when victory would have been what the Americans call a 'pushover'; why should she take action when it would be more difficult?"

(*Times*, May 26, 1952.)

Hence the fear of war in Europe has become more and more openly the fear of a war in which the "American finger" (as even Churchill had to admit the possibility in one of his election campaign speeches during 1951) pulls the trigger. As the former United States Ambassador to London, J. P. Kennedy, put it:

"Worse than all these is a fact on which all observers agree, the growing anti-Americanism of Western Europe. It manifests itself now openly at the highest levels of political expression. The sharp inflationary trend and the consequent distress is laid at our door. Man after man, in factories and in fields, charges

> us not only with his misfortune, but with the design of pushing Europe into a war not of her making."
>
> (J. P. KENNEDY, speech to Economic Club of Chicago, December 17, 1951.)

Similarly, the head of the *New York Times* European Bureau, Drew Middleton, in his book, *The Defence of Europe,* published in 1952, reported with alarm the growing "anti-Americanism" in Europe—

> "fostered by the fear that the United States wants to fight the Russians and will use the Europeans as cannon fodder and Europe as a battleground."

He quoted "an exasperated brigadier-general at S.H.A.P.E." as saying of the French: "Sometimes I think they don't *want* to be defended." In the same way, Foster Dulles, the Republican adviser on foreign policy, reported in May, 1952, his conclusion after travelling in Europe and Asia:

> "The hard truth is, as my recent visits in both the East and the West have made clear to me, that many of the peoples of the world have less fear of the Red Army than they fear that the United States may rashly precipitate atomic warfare against which their population centres are utterly defenceless."
>
> (JOHN FOSTER DULLES, speech at the Annual Dinner of the Conference of Christians and Jews, May 12, 1952.)

Or, to take the concise summary by an Editor of the *New York Times*:

> "The main reason why a good part of the world does not love us is a double fear that we will bring about World War III and economic disaster."
>
> (*New York Times* Sunday Editor, LESTER MARKEL SMITH, speech at the Times auditorium, *New York Times,* April 11, 1952.)

This is the situation in which Britain has a unique opportunity to take an independent initiative for peace with every prospect of success, and to end the eternal chorus of "No" from the Western Powers to every proposal of the Soviet Union and People's Democracies for negotiations and a peaceful settlement. The monotonous reiteration of "No" from the Western Powers has begun to weary Western opinion:

> "There are those who wonder if we do not tend to trap

ourselves by saying 'No' automatically every time the Kremlin says 'Yes' without considering the consequences."

(C. L. SULZBERGER, "Europe Asks Questions on U.S. Foreign Policy," *New York Times*, May 11, 1952.)

"Secretary of State Marshall accuses the Soviet Union of waging a propaganda campaign for peace. This is a curious accusation. Don't we want peace?....

"Twice this year Stalin tried for direct peace talks with Truman. Once Truman tried for a direct peace talk with Stalin. On each occasion the military diplomats and bankers-in-uniform moulding American foreign policy prevented a meeting.

"We have the atom bomb. The Russians seem to have a secret weapon more terrifying: the peace feeler.

"The peace feeler appears to create more panic in the Pentagon than the atom bomb did at Bikini. Is the mere possibility of peace so dreadful?"

(I. F. STONE, *New York Star*, November 15, 1948.)

"Look at the attitude of our European allies. Some are afraid we are so anti-Russia that we are inviting war and passing up peace....

"International politics require that he (the President) do something to combat the spreading doubts overseas that maybe, after all, it is United States policy that keeps war threats high."

(*Business Week*, November 10, 1951.)

A British initiative for peace, for serious top-level negotiations of the powers with a view to reaching a general peace settlement, would indubitably rally support in all the countries of Europe and Asia, and would isolate the warmaking forces in the United States.

Such an initiative would also win wide support within the United States, strengthen all the progressive forces there seeking peace, and thus help to prepare the way for a change of policy also from the side of the United States.

The overwhelming majority of the people of the United States want peace. They are by no means represented by the aggressive, expansionist and warmaking policy of their present rulers. Critics of the dangerous policies of the Atlantic war camp, which is led by the American imperialists, with the participation of the satellite imperialists of Britain and other countries, are often accused of being "anti-American." This is false. It is precisely these critics who honour the true democratic traditions of the people of the United States, of the American Democratic Revolution and War of Independence, and of that Civil War of the North, led by Abraham Lincoln, against the slave-owners, to whose historic significance

Marx paid tribute (the friendly greetings exchanged between Marx and Abraham Lincoln would no doubt horrify the present "Un-American Committee" traitors to the American democratic tradition). The valiant representatives of this true democratic and internationalist tradition of the people of the United States—such honoured representatives as Howard Fast, Paul Robeson, Eugene Dennis, Alexander Trachtenberg, Elizabeth Gurley Flynn and countless other—are to-day hounded and persecuted, victimised or thrown into prison for their fidelity to their principles. The concentration camps are being built by the United States Government to hold 30,000 in the event of war. But the very ferocity of American reaction is testimony to its fears. The American militarist ogre, whose supposedly irresistible power is so boastfully proclaimed to the world in measures of dollars and steel, of guns and planes and atom bombs ("American armed strength is the greatest in the world to-day; United States power dominates sea and air as of now; the United States is the world's dominant military power"—*U.S. News and World Report,* May 25, 1951), is a Colossus with feet of clay. Its strength is not rooted in the people.

A measure of the desire of the people of the United States, no less than of Britain, for immediate top-level negotiations for a Peace Pact, despite the rejection of this proposal by their rulers, was demonstrated by a Gallup Poll taken at the end of 1951. The question asked in both countries ran:

Would you like to see Truman and Churchill meet Stalin to try to settle the differences between their countries?

These were the answers in Britain:

	Yes	No	Don't know
Total	83	5	12
Conservative . . .	90	3	7
Liberal	89	3	8
Labour	78	7	15
No party affiliation . .	73	6	21

These were the answers in the United States:

	Yes	No	Don't know
Total	70	21	9
Republicans . . .	65	29	6
Democrats	74	16	10
Independent . . .	73	18	9

The overwhelming majority of *all* the parties, and also of those of no party, *both* in Britain and the United States, demonstrated their desire for a meeting of the Heads of State for peace.

There is thus a very considerable basis, also in popular opinion in the United States, for support for an active initiative for peace.

It would not be be too much to say that Britain in the present world situation holds the key to world peace.

What should be the concrete content of such a policy for peace? The details will necessarily depend on the specific situation at the given time. But the broad principles are clear.

First, the immediate ending of the local or regional wars in progress, before they develop into major war or world war (for example, in 1952, the wars in Korea, Malaya and Vietnam), on the basis of withdrawal of invading troops and recognition of the national independence and sovereignty of the peoples concerned; similar withdrawal of armed forces conducting imperialist aggression against other peoples, as in Egypt.

Second, the opening of negotiations between the representatives of the leading powers, with a view to reaching a Five Power Peace Pact, open to the participation of other states, and embodying agreed lines of settlement on the main major issues of international tension, including on the question of armaments.

Third, the all-round reduction of armaments, and prohibition of atomic, chemical, bacteriological or other criminal weapons of mass destruction, with international control and inspection.

Fourth, international agreement for a united, peaceful, democratic Germany, free of armed occupation, and with no remilitarisation or entanglement in sectional military coalitions; no remilitarisation of Japan, and freedom from armed occupation.

Fifth, liberation of Britain from foreign armed occupation and atom bomber bases.

Sixth, restoration of the United Nations as an organ of international co-operation for peace instead of as a war-making instrument under the illegal control of a section of the powers; elimination of sectional military alliances, such as the North Atlantic Alliance, which are illegal under the Charter; recognition of China's rightful place in the United Nations.

Seventh, promotion of international trade and economic co-operation, and removal of political-strategic bans on trade.

All these measures undoubtedly correspond to the true interests of the British people, no less than of world peace. Nevertheless, all these measures are opposed by the existing dominant ruling forces representative of the interests of imperialism. Hence the adoption of such a policy for peace will require the transformation of the existing political situation in Britain by the activity of the people, and in the first place, by the working class and the organised labour movement.

The memorable words of Marx may be recalled in the Inaugural Address of the First International:

> "If the emancipation of the working classes requires their fraternal concurrence, how are they to fulfil that great mission

> with a foreign policy in pursuit of criminal designs, playing upon national prejudices, and squandering in piratical wars the people's blood and treasure? It was not the wisdom of the ruling classes, but the heroic resistance to their folly by the working classes of England that saved the West of Europe from plunging headlong into an infamous crusade for the perpetuation and propaganda of slavery on the other side of the Atlantic."

How much more must that call sound to-day, when, under the dictation of the sons of the slave-owners from "the other side of the Atlantic," the "criminal designs" are pressed forward to "squander in piratical wars the people's blood and treasure"? How much more must the summons resound to-day to "save the West of Europe from plunging headlong into an infamous crusade for the perpetuation and propagation of slavery" against the rising sun of socialism? Marx went on to draw the lessons that these events—

> "have taught the working classes the duty to master themselves the mysteries of international politics; to watch the diplomatic acts of their respective governments; to counteract them, if necessary, by all means in their power."

Never was that need so great as to-day. In the words of Stalin:

> "Peace will be preserved and strengthened if the peoples take into their own hands the cause of the preservation of peace and defend it to the end."

3. *Britain and World Trade*

The solution of Britain's trading problem is bound up with the success of the fight for peace.

Undoubtedly the long-term solution will require a radical reconstruction of Britain's international economic relations from the old imperialist basis of parasitic dependence on colonial tribute to a healthy balanced basis of full development of productive resources at home and equal exchange with countries requiring the products of British industry. This will involve especially the development of large-scale trading relations, on a basis of equal exchange, with the countries which are at present the object of colonial exploitation, once their peoples have won their freedom and are engaged in the reconstruction of their economy.

It is equally imperative, both for an immediate solution, and for a longer future perspective, to extend trading relations with the whole advancing new world which has already won freedom from imperialism, and which has built up or is engaged in building up a rapidly expanding socialist economy. It is in this direction,

rather than in a suicidal cut-throat battle to force up exports only within the increasingly restricted capitalist market, that lies the future for the solution of Britain's trading problems and the rapid extension of Britain's trade.

The first step to tackle Britain's immediate acute trading problem, deficit on the balance of payments and dollar deficit will require in the economic sphere (apart from the political measures to cut down the waste of the extravagant overseas military expenditure and aggressive foreign wars, by the bringing home of troops, which would materially alter the picture of the balance of payments) a positive programme for the development of all-round trade and elimination of the present artificial dollar dependence by liberating Britain's trade from the present American-imposed bans.

It needs to be recognised that the trade bans imposed on Britain by the United States, professedly for the purpose of the Atlantic "cold war" strategy, in fact strangle Britain's trade for the benefit of dollar exporters and artificially maintain Britain's dollar deficit.

As the outcome of the whole preceding economic development, Britain is more dependent on foreign trade than any country in the world. Even to-day, with restricted consumption and food for the population rationed down to low levels, Britain still has to import three-fifths of the food consumed, including 75 per cent. of the grain, 95 per cent. of the butter and 80 per cent. of the sugar. Britain imports large quantities of raw materials. Of total imports in 1951 over three-quarters or 77 per cent. were food or raw materials. Yet the volume of British imports in 1951 was 9 per cent. less than in 1937. On the other hand, the volume of exports was some 75 per cent. higher than before the war; and there was still a heavy deficit on the visible balance of trade. Half of Britain's industrial output was exported; and of the total exports nine-tenths were manufactured goods.

It is obvious from this pattern of Britain's trading requirements in the current conditions that Britain needs to develop trade most with countries able to supply food and raw materials in return for its manufactures, rather than with rival exporting industrial countries. But the American strategy of the Marshall Plan and Atlantic "cold war" imposes on Britain the exactly opposite pattern of trade to what Britain's interests require. Britain is required to concentrate its trade precisely on the countries which are its main industrial exporting rivals, the United States and Western Europe, and to cut down to a minimum its trade with the one-third of the world which is able to supply in abundance needed food and raw materials and to import on a large-scale British manufactures. This picture sounds so crazy as to be almost incredible. Yet it is precisely this pattern which, under American orders, British statesmen have been assiduously engaged since the war in endeavouring to

fasten on British trade, with consequent ever-louder shouts of agony from British economy stretched out on this bed of Procrustes.

Before the war the Soviet Union supplied about one-fifth of Britain's grain imports and two-fifths of the soft timber imports. Britain imported two and a half times as much wheat from the Soviet Union as from the United States, and nine times as much sawn timber. Britain's total imports from the Soviet Union in 1937 were close to the combined total from France and Italy. At the same time the Soviet Union was able to supply a stable market for British manufactures, unaffected by the periodic conditions of crisis in capitalist countries. Thus in 1932 Soviet orders saved the British machine-tool industry from bankruptcy by taking four-fifths of the output. Even this pre-war development was only a fraction of what was possible, since it was again and again hampered by political and governmental interference from reactionary imperialist interests.

At the end of 1947 the short-term British-Soviet Trade Agreement began the rebuilding of these mutually advantageous trade relations, though still on a limited scale and in the face of many obstacles.

Immediately the United States stepped in to deliver its hammer-blows against this incipient restoration of Britain's trade with Eastern Europe, which could have released Britain from the dollar stranglehold. Already the Loan Agreement non-discrimination clauses had been used to hamper the development of Britain's trade with Empire countries, thus, for example, striking a blow at the Jamaican sugar industry for the benefit of the Cuban sugar industry. In 1948 the Marshall Plan conditions were invoked to prohibit the free development of Britain's trade with Eastern Europe. Section 117 (*d*) of the United States Foreign Assistance Act of 1948, the legal instrument of the Marshall Plan ("without strings"), laid down that the United States would "refuse delivery" to Marshall Plan countries where such deliveries might be used for "the production of any commodity for delivery to non-participating European countries which would be refused export licences to those countries by the United States in the interests of national security." The interpretation of this was made clear by the Marshall Plan dictator, Paul Hoffman:

> "Mr. Paul Hoffman, E.C.A. chief, has ruled that, under the penalty of being denied aid, the 15 Marshall Plan countries should not export to Russia....commodities which the United States itself is not willing to send."
>
> (*Daily Herald*, September 10, 1948.)
>
> "M. Hoffman has decided that the only way to administer this section of the Act is to draw up a list of prohibited exports."
>
> (*Daily Telegraph*, September 10, 1948.)

The "list of prohibited exports" was drawn up and duly appeared as Board of Trade Order No. 652, issued on March 31, 1949, subsequently incorporated in the Export of Goods Control Order No. 2466, issued on December 21, 1949.

Thus the ban on Britain's trading freedom was imposed by the United States. In 1950 the list of prohibited exports was further extended. "New restrictions on East-West trade" were reported by the *Observer* on November 26, 1950: "The export of 200 products from West to East was prohibited some time ago. About 300 new products are understood to be on the new list."

In 1951 the system of trade bans was further extended by the Kem Amendment and the Battle Act, and was extended to China as well as Eastern Europe. On June 7, 1951, the United States Government published a list of 1,700 categories of goods affected by the Kem Amendment. Any country "knowingly exporting these goods could be cut off from American financial and economic help" (*New York Herald-Tribune*, June 8, 1951). The provisions of the Battle Act went even further in the wide range of goods covered, reported to include 100,000 items, and in placing absolute powers of control in the hands of an official in Washington:

> "From now on every East-West trade deal will be conducted in an atmosphere of uncertainty and awareness that Mr. X is watching at the bottle-neck in Washington."
>
> (*Economist*, August 25, 1951.)

The effect of the bans on East-West trade can be seen from the following table:

Table 45

LEVEL OF WESTERN EUROPE'S TRADE WITH EASTERN EUROPE

	1938	1950
Index Numbers of Volume:		
Imports	100	28
Exports	100	63
Percentage of Western Europe's Total Trade:		
Imports	9	3
Exports	6	3

"Eastern Europe": U.S.S.R., Bulgaria, Czechoslovakia, Hungary, Poland, Rumania,

"Western Europe": including the Scandinavian countries and Western Germany.

(United Nations Economic Commission for Europe, *Economic Bulletin for Europe*, Vol. 3, No. 2.)

Britain's exports to Eastern Europe in 1950 were less than half pre-war; and in 1951 the decline continued. Britain's exports to the Soviet Union had fallen to £3.5 million in 1951 (against £60 million imports); and Britain's exports of manufactured goods to China in 1951 amounted to only one-fifth in money values of what they had been in 1947.

All informed economic opinion from all quarters has recognised the indisputable fact that the development of East-West trade would be the most important means for freeing Western Europe from the dollar deficit and the deficit on the balance of payments.

> "It is largely through intensification of trade between the East and the West of Europe that the twin objectives of a reduced dependence on overseas supplies for food and raw materials and the optimal development of European resources could best be facilitated....Geographic propinquity and differences in relative stages of industrial development make of Eastern Europe both a market for manufactured goods and a source of supply for essential foodstuffs and raw materials without giving rise to major difficulties in balancing trade between the two areas....
>
> "The nature of European overseas imports compared with the kinds of goods which Europe produces suggests that the only imports which in the long run Europe could forego without a drastic reduction in the standard of living are manufactured goods, chiefly the products of heavy industry, which come almost entirely from the United States."

(*Potentialities for Increased Trade and Accelerated Industrial Development in Europe*, United Nations Economic Commission for Europe, 1948.)

The Secretary of the European Economic Commission, Gunnar Myrdal, stated in 1949:

> "Only a sevenfold increase of imports from Eastern Europe will enable the West to achieve a balance of payments when the European Recovery Programme ends in 1951."

(*Daily Telegraph*, September 27, 1949.)

Similarly, even a leading American journal admitted:

> "The United States' European allies are all suffering economically from the post-war blockade of East-West trade. Their dependence on American economic aid is primarily a result of the blockade. Were the barriers removed, and were European manufactured products again to flow Eastward in return for

Eastern raw material, it is probable that Western Europe could swiftly regain its independence from American economic aid."

(*Christain Science Monitor*, January 7, 1951.)

"Could swiftly regain its independence from American economic aid." Precisely there is the fatal objection from the standpoint of United States strategic policy. In the same way as eighteenth-century Britain used to maintain its military coalitions in Europe by the system of subsidies, so to-day the economic dependence of the European satellites on American "aid" is the indispensable condition for maintaining American political-strategic domination over them. Hence every path to economic recovery must be rigorously closed to them.

The open pro-American apologists of the Atlantic Alliance "cold war" policy admit that Britain's dollar deficit could be solved by the development of East-West trade, but insist that for political-strategic reasons this "temptation" must be resisted. Thus the *Observer* of May 22, 1949, wrote (italics added):

> "An active campaign for increased East-West trade in Europe has started. It sounds innocuous....Increased East-West trade in Europe would reduce the dependence of Western Europe on American foodstuffs, and thereby the dollar deficit. *All this sounds tempting. But if we fall for the temptation the political result will be disastrous."*

Economic recovery would be "tempting." But the temptation must be resisted for political reasons—for the sake of preserving the Anglo-American Holy Alliance of Reaction. The facade of "economic recovery" with which it was sought originally to deck out the Marshall Plan and American "aid" has faded away. The grim structure of a political military alliance for war and impoverishment is laid bare.

Or again, the same journal on July 3, 1949:

> "It becomes increasingly possible to find elsewhere things for which during and immediately after the war we were absolutely dependent on America.... *While this policy saves dollars*.... it inexorably widens the division of the Western world. If it were driven to its logical conclusion, transatlantic trade would shrink to a trickle, and for the rest the non-American part of the Western world would somehow make do as if America did not exist.
>
> *"This might balance the books, but it would nevertheless be a measureless calamity*....For it is doubtful whether there is any alternative source except Russia and Eastern Europe for the massive bulk supply of grain and other staple foods."

Previously the acceptance of American "aid" was advocated despite the conditions of economic dependence on America, as the only way "to balance the books." Now it is urged that the books must *not* be balanced, for fear of losing the dependence on America.

Yet again on July 24, 1949, the *Observer* proclaimed:

> "Alternative sources of supply for Britain could, in a world buyers' market, probably be found—but for many of them we should have to look behind the Iron Curtain.
>
> "If the dollar crisis is regarded simply on its merits as an economic problem, therefore, without reference to the higher needs for British-American unity, its solution is simply a parting of the ways. But there could be no greater political calamity."

Thus the *practical* possibility of an alternative trading basis which could "balance the books" is admitted. But it is rejected for reactionary *political* reasons.

On the contrary, the economic and political interests of the British people point in one and the same direction.

The present policy is leading Britain deeper and deeper into a morass. On top of the existing trade difficulties there has developed in the most recent period the increasingly sharp competition of the American-financed and fostered industrial advance of Western Germany and Japan. State Department policy, proclaimed by Mr. Acheson, Mr. Dulles and others since as far back as 1947, openly looked to the development of Western Germany as "the workshop of Europe" and Japan as "the workshop of Asia." The reconstructed monopolist concerns of these two countries, closely linked with the giant monopolies of the United States, and equipped with lavish new modernised capital installations by American financing, alongside the depression of labour conditions (especially in Japan) had launched by 1951 a fierce exports offensive into the narrow markets left to the West by American policy. Diverted from their traditional markets in Eastern Europe and China by the American strategic bans on trade, they inevitably turned the full force of their offensive towards the exports markets of Britain, Belgium and France. Already the *Economic Bulletin for Europe* for the first quarter of 1951 reported that during the six months between October, 1950, and March, 1951, West German exports of manufactures had increased 70 per cent. in volume on the level of the first three-quarters of 1950, and were in excess of the pre-war level, in contrast to a British increase of 7 per cent. in the same period. During 1951 total British exports to Latin America rose by only 6 per cent., whereas West German exports to the same area increased by no less than 142 per cent.

At the same time the deepening difficulties of the sterling area countries led to drastic import cuts by Australia, South Africa and New Zealand in 1952, equivalent to a loss of some £280 million in

exports from Britain, or about one-tenth of Britain's export trade. Meanwhile, despite the desperate drive to force up dollar exports as the supposed indispensable path of salvation, British exports to North America in the first quarter of 1952 were 12 per cent. lower than the average of the previous year.

There is no solution for Britain's trading problems along these lines. It is essential to strike out a different course, which can not only end the dollar deficit and restore Britain's trading freedom, but open up an enormous field of expansion for Britain's trade in the new world conditions.

The maximum development of Britain's trade with non-dollar countries will require the repudiation of the existing twofold system of American-imposed trade bans. The interests of empire trade require the repudiation of the "non-discrimination" clauses and conditions, imposed originally through the Loan Agreement and incorporated in the General Agreement on Trade and Tariffs, which have been designed to hinder the promotion of trade between the countries of the Empire and facilitate the American offensive of economic penetration into the British Empire. The extension of trade with the Soviet Union, China and the People's Democracies of Eastern Europe, representing one-third of the world, require the repudiation of the American-imposed so-called "strategic" bans, which in practice strike at the traditional main lines of British exports to these countries.

This is not only a question of immediate short-term policy to meet the current emergency of the dollar deficit and therefore promote trade with non-dollar countries. What is involved is the essential long-term development of Britain's future trade in relation to the new world that has grown up and that is rapidly advancing.

"East-West trade"—in the current phrase—is commonly discussed only in terms of the past, i.e. in terms of *restoring* the measure of trade which previously existed and which has been artificially obstructed by the American-imposed bans. On this basis apologists of the bans sometimes argue, quoting pre-war figures, that the amount involved is not so great in proportion to the total of Britain's trade. In point of fact, even on this basis the restoration of the British-Soviet trade turnover of 1937, calculated at current prices, according to *The Times* of April 5, 1952, would be equivalent to £227 million, or treble the existing figure—a total of sufficiently obvious importance.

But in practice much more is involved than the return to pre-war. The economy of the countries of socialism and people's democracy represents the most rapidly advancing economy history has seen. All pre-war measures are out of date. The level of industrial production of the Soviet Union by 1951 was double that of 1940; the national income was 224 per cent. of the 1938 level;

the Soviet Union's foreign trade was three times as great in volume as pre-war. The pace of this advance is continuously accelerating.

Nor does this advance apply only to the Soviet Union. The People's Democracies of Eastern Europe have left far behind the pre-war economic backwardness that was imposed on them by imperialism and by its servitors within these countries. By 1951 the industrial output of Poland exceeded the pre-war level by 190 per cent.; that of Czechoslovakia by 70 per cent.; of Hungary by 150 per cent.; of Rumania by 90 per cent.; of Bulgaria by 360 per cent.; and of Albania by 400 per cent. The transformation of China from a country of famine, illiteracy, primitive agriculture and industrial backwardness, to a country which has already conquered famine, and is rapidly moving forward to advanced technical agricultural and industrial development is the most powerful demonstration of the new world which is coming into being.

This socialist world is a world of a rapidly expanding economy. Corresponding to this expanding economy, its volume of trade is increasing at an accelerating rate, and is likely to increase still more rapidly in the future. Between 1948 and 1952 the volume of trade between the Soviet Union and the People's Democracies of Eastern Europe increased tenfold. It is obvious that this rate of increase registered the complete failure of the American-imposed system of trade bans to strangle the economic advance of the socialist world. The outcome has resulted in a far more crippling blockade of the Western capitalist world by its own actions. In this sense the whole system of trade bans has proved a self-defeating idiocy which hits hardest Britain and the Western European countries.

Thus an enormous expansion of trade is here open to the Western world. The readiness of the Soviet Union and People's Democracies to extend trade with the Western capitalist countries has been repeatedly declared and demonstrated. The Moscow Economic Conference in the spring of 1952 (which was met with bans and heavy pressure against participation on the part of American and British official circles, terrified at the prospect of a rupture of their "iron curtain"), not only proclaimed this objective, but set out in concrete terms proposals for a large-scale development of trade of mutual benefit with the Western countries—trade which could ensure continuous, stable and expanding large-scale markets for Britain, unaffected by conditions of capitalist crisis. This is the obvious direction which offers an expanding future for Britain's trade.

In proportion as the colonial and dependent countries of the present Empire win their liberation from imperialism, and enter on their own gigantic tasks of reconstruction, this will further enlarge the new advancing world of expanding economy outside the orbit of imperialism, and will offer the most favourable possibilities,

as already indicated, for the role which British industry can play in assisting this reconstruction and receiving in return products required by Britain—provided that the British people play their part in the victory of such liberation, and thus establish the basis for future friendly co-operative, in place of hostile, relations.

Such is the positive perspective for Britain's trade in the new world situation, and for the solution of Britain's trading problems.

The fulfilment of this solution is bound up with the victory of the aims of national independence and peace.

CHAPTER XVI

RECONSTRUCTION OF BRITAIN

"The future of Britain as an industrial nation, and with that the future of the tradition and culture which she represents, depends on whether we can, before it is too late, use our talents and organising capacity to compensate for the damage that has been done by years of stupidity and neglect."

J. D. BERNAL, *The Freedom of Necessity*, 1949, pp. 271-2.

THE change in Britain's international relations which the present urgent problems make imperative cannot be separated from the corresponding internal changes of social and economic structure and in the political sphere.

1. *End of Imperialist Parasitism*

Britain's development has been retarded by imperialism. This applies equally to the economic, the social and the political sphere.

The situation of Britain as a parasitic rentier state, dependent on overseas tribute—and, in the last stages of decline, on foreign subsidies in return for subjection—has led to internal stagnation.

Despite the conventional picture of the "vast social transformation" in Britain during the years since the war, the legislative and administrative measures of these years have not arrested the process of decline and decay characteristic of the whole imperialist era. On the contrary, they have carried it further. The entrenched and strengthened restrictive stranglehold of the giant monopolies has been linked more and more closely with the state. This process has been reinforced by the measures of so-called "nationalisation" and of state control. The consequent system of highly concentrated monopoly capitalism, controlling and using the state machinery, has been masked under the guise of a peculiar type of imperialist "welfare state," rooted in colonial exploitation, in which in fact the exploitation of the mass of the workers at home has also been

intensified, with worsened standards, while the profits of the highest levels of the big monopolies have enormously increased.

This evolution from the old increasingly obsolete "free enterprise" (still continuing within the interstices of the system, and on the lower levels, but with a more and more obviously cramped and subordinate role) towards bureaucratic state monopoly capitalism has been accompanied by increasing *ossification* of the whole system, a hardening of the arteries and incapacity of new development, alike in economics and in politics. The lingering bombed sites of the great cities seven years after the end of the war are like a symbol of this stagnation. The slavishly pedantic duplication of the old cramped and unpractical Chamber of the House of Commons to reproduce the Victorian model, when the bombing had given an opportunity for new construction, is equally a symbol of the profound social conservatism of a dying class.

Resistance to major social change has characterised the imperialist rulers, alike through the dominant right-wing imperialist leadership still at the head of the Labour Party, and serving the interests of the financial oligarchy, and through the leadership of the Conservative Party, directly representing the financial oligarchy. Indeed, the two top leaderships have formed during these years a kind of united front or thinly veiled alliance against the forces of social change.

But major social change is due and overdue and will inevitably come in Britain. The evidence for this is abundantly visible, and not least in the sharpening battle of tendencies within the labour movement.

The long-term character of such social change is no less inescapable. In the sphere of international relations the change which the present world situation of Britain, with the manifest bankruptcy of the old imperialist system, makes inevitable is the change from an imperialist to a non-imperialist basis. But in the internal relations of Britain, in the given conditions and stage of development (since there can be no going back to a liberal petty-capitalist economy) this means the change from an imperialist society to a socialist society.

> "State monopoly capitalism is the fullest *material* preparation for socialism, is its *threshold*, is that rung on the historic ladder between which and the one called socialism there are no intermediate rungs."
>
> (LENIN, *The Impending Catastrophe*, 1917.)

The economic conditions for this change are already ripe and overripe in Britain. It is the political conditions that are still developing and have to develop further. But this political development is moving with increasing speed in the forcing house of the conditions

of Britain's crisis. Beneath the ossification of the imperialist system and its social-political superstructure explosive forces are rising below.

The internal pressure of the developing movement of the people within Britain (only temporarily and partially, and with increasing difficulty, retarded and diverted by the old imperialist leadership within the labour organisations) combines with the external pressure of the crisis of the colonial system and the advancing liberation movement of the colonial peoples. The old imperialist basis cannot be maintained. The transition to a new basis is inevitable. The final character of that new basis can only be socialism—itself the first stage of communism, when Britain becomes part of a free communist world.

2. *False Talk of "Socialism"*

There has been much talk of "socialism" and of the "peaceful socialist revolution" through which Britain is supposed to have passed during the recent years under the rule of the third Labour Government. This picture, however, does not correspond to the facts. The change to socialism has not yet taken place. It has still to come.

The limited measures of so-called "nationalisation" of a minority sector of the economy have not changed the essential character of capitalist class ownership and exploitation, including in the "nationalised" industries. They have only changed the *form* from private shares to state bonds, with the state guaranteeing the extraction of the surplus for the benefit of the former owners, mainly in industries which had begun to prove less profitable or were approaching bankruptcy without such state intervention.[1]

> "As a result of our nationalisation measures already passed, gilt-edged stocks quoted on the Stock Exchange will soon have increased from £15,000 million to £17,000 million, and 'other securities' reduced from £13,000 million to £11,000 million."
>
> (HUGH DALTON, *New Statesman and Nation*, February 21, 1948.)

1 Typical of this process was the case of transport. In the last year before nationalisation, in 1947, the railways showed a loss of £ 59.5 million. After four years of nationalisation, by ruthless driving of the railway workers, cutting down of staff by 60,000 to meet increased traffic with a reduced staff, and merciless raising of traffic charges to the public, the Transport Commission proudly announced by 1951 a trading profit of £ 49 million, of which £ 45 million went to meet interest charges. A very pretty example of the use of capitalist nationalisation to salvage bankrupt capitalist industries and intensify exploitation for the benefit of the stockholders. It is obvious that this process has nothing in common with socialist nationalisation, the purpose of which is to eliminate the parasitic burdens of rent, interest and profits for a class of private owners.

It will be seen that the total capital holdings remained unchanged at £28,000 million before and after nationalisation. By the completion of the Labour Government's nationalisation measures in 1951 the total volume of compensation stock and new capital involved amounted to about £2,500 million (excluding steel), with an interest burden of £92 million. The range was stated to extend to one-fifth of industry (by measure of the numbers employed, in relation to the working population more like one-eighth), and was concentrated on the services of power and transport auxiliary to the main field of capitalist profit-making industry. In the wider field of industry capitalist monopoly was strengthened.

> "In view of the fresh evidence that has been accumulated since the war it is practically certain that monopoly has increased rather than diminished."
>
> (Labour Party pamphlet on *Monopoly*, published in 1951.)

Similarly, the concentration of wealth in the hands of a narrow owning class has not been changed. The ownership of land remains a secret, no statistics having been published since 1875, when it was found that half the agricultural land was owned by just over 2,000 persons; in his pre-war land campaign Lloyd George stated that the bulk of the land was owned by 10,000 people. With regard to the ownership of capital, the *Oxford Institute of Statistics Bulletin* for February, 1951, estimated that in 1946-7 one per cent. of the population over twenty-five years of age owned half the capital, and one-tenth owned four-fifths; while the majority of the adult population, or 61 per cent., did not own more than one-twentieth of the national capital between them. The number of millionaires who died in the last year before the war was four; the number in 1949-50 was fifteen. The *Banker* in December, 1950, found that two-thirds of all industrial shares were held by 42,000 people with over £20,000 a year.

Even the picture of the supposed "social revolution" through the loudly proclaimed "redistribution of the national income" has no solid foundation in fact. The current official propaganda statistics handed out to substantiate this myth are based on a flagrant and undisguised swindle. First, the enormous volume of undistributed profits placed to reserves is left out of the calculation. Second, from the remaining limited figure of distributed profits the entire weight of direct taxation is deducted. Third, the calculation blandly ignores the effect of the trebled volume of indirect taxation on the incomes of the workers, who pay the main weight of indirect taxation. On this basis of transparent manipulation the final results is presented as the imaginary percentage division of the "national income" after taxation. This is, of course, a simple deception. This deception was carried even further by Labour Government Ministers, who sought

to "prove" the redistribution of income during their term of office by comparing the situation at its close with 1938 and never with 1946. In fact the extreme weight of wartime taxation inevitably produced the arithmetical effect of a change in the percentage during the war years; but even this "redistribution" was reversed by the Labour Government between 1946 and 1950 in the direction of a greater share going to profits and less to the workers. The Labour Research Department has calculated the correct figures on the basis of the official statistics and shown that between 1946 and 1950 the proportion of the national income after taxation going to wages and the pay of the armed forces fell from 47 to 43 per cent., while the proportion going to rent, interest and profits rose from 32 to 35 per cent.

Another favourite version of the myth of the "social revolution" by the "redistribution of income" under the Labour Government is the allegation that the extension of the social services has represented heavy taxation of the rich to improve the conditions of the workers. In fact, the social services received by the workers are completely paid for by the increased taxation of the workers; nothing comes from the rich; the workers are taxed to provide for themselves. The myth of the "welfare state" social revolution was most effectively exploded by the official report of the Marshall Plan Administration (*Report of the E.C.A. Mission to the United Kingdom,* published in the beginning of 1950, and reproduced in the *Economist* of April 1, 1950). This Report, on the basis of a detailed investigation, showed that the current "social service income" per working-class family, taking into account social insurance, national assistance, family allowances, housing subsidies, food subsidies, education and health, amounted to an average of 57s. a week; while the current taxation paid by a working-class family amounted to an average of 67.8s. a week. Thus, so far from the social services representing a supplement to the income of the working class, they were entirely paid for by the workers themselves through extra taxation; and in addition, the workers paid a further 10s. per week per family for the military, police, and debt interest purposes of the capitalist class, to diminish the burden of taxation on the capitalists.

Thus, despite the free use of phrases about "socialism," there has been no major change yet in the basic social system or class structure of Britain, but only a further concentration of capitalist monopoly in close association with the state, and intensified exploitation of the workers. Increasing sections of the former middle strata have been brought down to semi-proletarian conditions; the state health system, state education system etc. now embrace nine-tenths of the population, thus including the majority of the middle sections with the working class, instead of, as before, only the working class; but the upper circle of the big bourgeoisie (associated with the

exclusive "public schools" outside the state education system, private medical service outside the state health system, etc.) has grown more narrow and remote from the conditions of life of the mass of the people. In face of the real levels of social expenditure of the upper circles (occasionally revealed in the law-courts), and the notorious and manifold legal devices for evading taxation by the wealthy,[1] the published official returns of "incomes after surtax" to demonstrate the "vanishing of the rich" may be regarded as fairy tales for popular consumption with little relation to present social realities.

This bankruptcy of Labour Imperialism and proven inability to effect any social change from monopoly capitalism has led to increasingly open repudiation by its spokesmen even of the theoretical aim of socialism. The old familiar definition of socialism as the "common ownership of the means of production, distribution and exchange" (Labour Party Constitution of 1918) is now declared to be obsolete. Formerly Mr. Attlee defined as the essential principle of socialism that "all the major industries will be owned and controlled by the community" (*The Labour Party in Perspective*, 1937). Similarly, Mr. Morrison laid down in 1934 that "the important essentials of socialism are that all the great industries and the land should be publicly and collectively owned." By 1950 Mr. Morrison had discovered "a new, wider and more comprehensive definition of socialism" as "the assertion of social responsibility in matters which are properly of social concern"—a formula obviously acceptable to the Conservative Party and the City. Similarly the Declaration of the newly founded Frankfurt "Socialist International" laid down that "socialist planning does not presuppose public ownership of all the means of production." And the Secretary of the Labour Party, Mr. Morgan Phillips, explained in 1948 that "even when our programme has been completed, the greater part of our industry will still be privately owned and run on private enterprise lines."

Such open repudiation of socialism by the at present dominant leadership of the Labour Party is not an accidental retreat or falling away from former ideals discovered to be impracticable. It is the

1 In a recent case before the courts (**Attorney-General v. St. Aubyn and Others**) it was disclosed that the late Lord St. Levan had made a perfectly legal arrangement by which he received **£ 35,000 a year tax free** from a private company into whose control he had transferred a considerable portion of his landed estates in Cornwall and Devon (quoted in C. H. Norman, **The Brtitish Worker in Retreat, 1938-1952**, p. 7).

This characteristic example of one of an infinite variety of similar devices did not prevent official propagandists and Labour Government Ministers continuing to spread the hoary legend to the public that the rich are "soaked to the limit," that there is no longer a wealthy class, that all large incomes pay 19s. 6d. in the pound, that the microscopic band of millionaires remaining have consequently only £ 2,000 or £ 3,000 a year at the highest level with which to struggle to make ends meet, and that all the society gossip columns' accounts of fashionable "coming out" balls with an expenditure of thousands of pounds in an evening are only an optical illusion. The modern tables of Income Tax Returns and the annual White Paper of pathetic pictures of "personal incomes after tax" should be re-titled "The Child's Guide to Fairyland."

inevitable completion of the path of Labour Imperialism—that is, of service to capitalism. The lesson of Ramsay MacDonald is repeated in a new guise.

3. *Economic and Social Reconstruction*

The repudiation of socialism by the present dominant leadership in control of the central machinery of the labour movement does not mean that the change to socialism is not necessary in Britain. It only means that the change to socialism cannot be accomplished through the policies and leadership of Labour Imperialism, and that therefore a change in the policies and effective leadership of the labour movement is an essential condition for the transition to socialism.

Great tasks of reconstruction need to be accomplished in Britain to meet the urgent needs of the present situation. Britain requires to develop rapidly its productive resources on a self-supporting basis in place of the present increasingly bankrupt parasitic basis.

There is no justification for the current gloomy pictures of Britain's supposed inevitable economic decline or inability to maintain its population on a rising standard of living in the changed world conditions. On the contrary, the development of socialism and national liberation over the world is not only leading to the greatest economic advance history has ever known, extending now to one-third of the earth's population, but is thereby and at the same time offering new and limitlessly expanding opportunities for Britain's industrial skill and Britain's trade to participate in meeting the demands of this new advance—provided that the British people make the necessary changes in economic and trading policy from the old imperialist and "cold war" basis, and go forward to the essential task of economic and social reconstruction to meet the new conditions.

British industry once led the world. That it has fallen behind in the recent era, relative to the more advanced Soviet or American technical development, is not the fault of British scientists, workers or technicians, but of the dead hand of a moribund monopolist system strangling development. All the possibilities exist for rapid advance. But these possibilities must be used. Alike in industry and in agriculture the fullest development is essential.

The fullest use of the land of Britain for the production of food is manifestly imperative in the present world situation. This is by now obvious to the most superficial observers, and is abundantly admitted in principle, with the most copious lip-service—but by no means carried out in practice—by official circles. Independently of any question of war (which bulks largest in the official mind),

the need is likely to grow greater rather than less in the phase immediately ahead, with the increasing pressure on world food supplies. This is not to say that the illiterate and reactionary scare pictures of inevitable future world famine and surplus human population, which are now freely spread by the fashionable school of American ruling-class nihilism, have any serious foundation other than in existing social economic conditions. The already scientifically known possibilities of further development on a world scale could ensure the rapid trebling or quadrupling of world food supplies, once the social and economic barriers are removed. But the present shortage is likely to grow more acute, so long as the social and economic conditions of imperialism prevail over a wide area of the earth, with its restriction of development, artificial maintenance of backward social systems, and perversion of science and existing productive effort for war instead of for constructive needs. During recent years the effects have made themselves uncomfortably felt in the dwindling available food supplies of the British people.

It is not inevitable that British economy should need to be reorganised on the basis of supplying completely the food needs of the people—though this is technically possible, if circumstances should make it necessary.[1] But Britain cannot expect to be fed indefinitely, in respect of nearly half its food, by the rest of the world so long as vast areas of cultivable land in Britain are left uncultivated or under permanent grass, and agricultural organisation and technique over the greater part of the farm area is left at an unnecessarily low and backward level. A very considerable extension of home food production in Britain is both possible and essential.

But it is here that the existing monopoly interests associated with imperialism stand in the way.

Throughout the imperialist era the full use of the land of Britain has been consistently prevented and resisted by the dominant interests of capitalist industry and shipping and imperialist finance. This principle received classic expression by Viscount Astor when he declared in the House of Lords in 1936 that "we should not attempt to grow so much food here that there would be a danger of reducing substantially our shipping and shipbuilding industries

1 Reference may be made to Lt.-Col. G. P. Pollitt's **Britain Can Feed Herself**, published in 1942. This study, while written from the standpoint of large-scale capitalist farming, sets out a carefully reasoned calculation to demonstrate concretely the full technical possibility for a reorganised and technically developed British agriculture, making full use of the land, to provide all the food needs of the population, on a scale equivalent to the pre-war levels of food consmption, and at a lower net cost. The estimate is based on extending the cultivated area under crops and grass from 31,755,000 acres (1938) to 34,755,000 acres; increasing the number of agricultural workers by 80 per cent., and providing new fixed capital amounting to £707 million, and new working capital amounting to £ 483.5 million. The author notes:

"The main problem before us is not the technical one of producing from the land in this country the food its population requires. It is the political, economic and social problem of making such arrangements as will ensure that the whole available land is reconditioned and properly farmed" (p. 37).

or the manpower associated with our overseas trade." It was similarly expressed in Neville Chamberlain's notorious Kettering speech in 1938 when he argued against any proposal "to grow at home all the food we need" on the grounds that this would "ruin those Empire and foreign countries which are dependent on our markets" (he did not mention the overseas investment interests of the big monopolists in those countries, and the conflict of those interests with the development of British agriculture). This dominant principle did not only characterise the years of Munichite degeneration and decay between the two world wars. It continued to operate also in the period since the second world war.

Only the shock of world war has twice compelled a spasmodic and feverish attempt at the thirteenth hour to develop British agriculture—each time to be followed by a relapse as soon as the pressure of war was removed. Thus the wheat area in Britain was raised from 1.9 million acres in 1938 to 3.4 million in 1943, only to sink back to 1.9 million by 1949. The operation of the costly system of subsidies and guaranteed prices since the war, without attempting to tackle the basic problems of agriculture, has in practice served to line the pockets of the big capitalist farmers and the monopoly industrial interests supplying fertilisers and farm implements, without giving the effective help needed to the under-capitalised small farmers, constituting the overwhelming majority of the farmers, to raise their technical level and solve their problems, and completely failing to bring cheaper food within reach of the consumers.

A comprehensive programme of agricultural development is imperative for Britain in the new world situation. But such a programme cannot be seriously attempted without tackling the problems of the land system and of the organisation of agriculture. The obstacles which hamper agricultural development, and hold back agriculture to a low technical level as a whole (despite the relatively high technical level of a tiny minority of highly capitalised farms), do not lie in the impossibility of advanced technical development, but in economic, social and political conditions which stand in the way. The decisive aim of a serious programme of agricultural development for Britain must be to end the existing inadequate utilisation of the land and to transform the existing petty, under-equipped, technically backward agriculture into a flourishing, technically advanced, large-scale agriculture, capable of maximum provision for the needs of the people, and at a very much lower cost than under present conditions. For this aim the public provision of the necessary new capital, scientific and technical aid will be essential to assist the agricultural working population—working farmers and agricultural workers—to carry through such a transformation of agriculture equally in their own interests and in the interest of Britain's future stability and recovery. Only in this

way can the position of agriculture—and of the agricultural worker—reach a level parallel to that of advanced large-scale industry.

Similarly in the field of industry, mechanical power, generation of power and the development of Britain's potential resources. Report after report has been issued by Government commissions, private commissions, of employers, as well as economists, scientists and industrial experts on the technical backwardness and obsolete equipment of a great part of British industry.[1] The classic survey of *Industrial Production, Productivity and Distribution in Britain, Germany and the United States*, by L. Rostas, published in the *Economic Journal* of April, 1943, showed that output per worker in the United States was 2.3 times greater than in Britain (based on figures for 1935 in Britain and 1937 in the United States), although the British working week was forty-seven to forty-eight hours against the American thirty-eight, and that the decisive cause of this difference was not any superiority of the American worker, but the higher level of mechanical power per worker by two to three times in the United States. Since the second world war this differentiation has further increased, with an American rate of annual capital investment in new equipment per worker employed in industry six times the British level. The Platt Report on cotton textiles found that 42 per cent. of the looms in 1930 dated from the Victorian era and more than two-thirds were over twenty years old; while a more recent investigation showed that in 1946 practically all the machines in the cotton spinning industry were over ten years old. The Platt Report stated that "conditions throughout almost the entire British cotton weaving industry are basically similar to those which existed forty to fifty years ago." A working party report on woollen textiles found that "some of the woollen carding machinery in use is over eighty years old; nearly a quarter of the worsted spindles date from the last century; and many looms have been in use for fifty years or more."

Electric power production is so deficient that industry is regularly subjected to cuts and staggering every winter, resulting in the loss of many millions of pounds. The seven-year plan adopted at the end of the war to increase generating capacity by 70 per cent., as the minimum essential in order to make up for wartime obsolescence and lack of repairs and to meet new need, was hacked and cut to pieces by Government economy campaigns from 1948 onwards. As a result, "the peak load deficiency with which the industry has been grappling, far from being solved, is being steadily accentuated" (Lord Citrine, Chairman of the British Electricity Board, speaking at the Third British Electricity Confer-

[1] See also the Report on **Technological Stagnation in Great Britain**, published by the Machinery and Allied Products Institute of America in 1948. This Report, though published by the American monopoly interests to expose the deficiencies of their rival, is based entirely on British sources.

ence in June, 1951). The excess strain on obsolete plant meant that in the peak load period of January, 1950, no less than 11½ per cent. of the plant was out of commission, and by January, 1951, this had risen to 15 per cent. In the words of another representative of the British Electricity Board, Sir Henry Self, speaking at the British Electricity Spring School at Oxford in 1950:

> "They cannot cut the necessary capital investment and at the same time expect us to take the increased load on the system; still less must they complain if, because of their refusal to allow us capital investment on the requisite scale, there is failure of the system to carry the load."

But of course the necessary capital development for home production is impossible—*if* we are to indulge in the luxury of maintaining hundreds of thousands of troops abroad, and spending £500 million on a war in Malaya or £5,200 million for a rearmament programme. So the power cuts continue to cripple British industry. Rural electrification is prevented. In the most literal sense British economy, under the burdens of the present regime, *staggers* along.

The coal mining industry, Britain's key basic industry, offers a similar picture of retarded development. Even the limited measure of scheduled investment in Britain's most backward major industry has been cut back and not fulfilled. Yet it is recognised on all sides that the rapid technical modernisation of the coal industry is the indispensable key for the development of the whole of British industry, in addition to its importance for trade.

Equally in the social and cultural sphere there are gigantic tasks awaiting fulfilment. Despite all the educational reforms—now heavily cut—Britain is still one of the most educationally backward of major developed countries. If we take the measure of university education, the number of full-time students taking degree courses in universities or colleges of university status in Britain in 1950 (85,000) was one-tenth of the corresponding number in the Soviet Union (840,000), although the population is one-quarter. Indeed, this number in Britain was below the total of 104,000 in the Central Asian Soviet Republics, with one-third the population of Britain. The proportion of 16 full-time students per 10,000 inhabitants in Britain in 1951 contrasts with 71 per 10,000 in Uzbekistan, the former backward illiterate colony of Tsarism. The Report of the University Grants Committee in 1936 found that "England of all the great nations still has the smallest proportion of university students"; and although the total of 50,000 then was raised by 1950 to 85,000, the proportion still remains below even the per-war level of the Soviet Union, the United States, France, Germany, Sweden, Switzerland, Holland or New Zealand. Further, the Ministry of Education working party in

1949 recommended a cut of the total to a future annual entry of 18,000. Already by 1951 the total had fallen to below 80,000.

The educational reforms planned at the end of the war through the 1944 Act have been ruthlessly cut to meet the needs of re-armament and imperialist expenditure. In 1951-2 only £40 million were allocated for the building of schools, while £60 million were allocated for research in aircraft building alone. As a result over 600 black-list condemned schools — condemned for over a quarter of a century—have remained in use. Out of 2,104,000 children in the age group of two to five years in 1951 only 21,079 were in nursery schools. Thirty per cent. of all primary school children remained crowded in classes of over forty.

Similarly, the national health system has been crippled by the refusal to build the health centres which were originally described as "the key to the service." No new hospital buildings have been constructed since the war; and in 1951 there were over half a million people on the waiting list for hospital beds.

The desperate housing situation in notorious. All the lavish promises at the end of the war have been swept aside to pay for the imperialist war policy. By 1950, the Archbishop of York was declaring in the House of Lords:

> "I doubt whether there has been any time in the last hundred years when overcrowding has been so grave and the slums have been so disastrous."
>
> (ARCHBISHOP OF YORK in the House of Lords, June 21, 1950.)

On behalf of the Government Lord Addison could only reply that "if this present progress of 200,000 houses a year goes on for the next generation, we shall only begin to make some impression on the housing problem."

Bombing planes and battleships before homes. Tanks before schools. Atom bombs in preference to hospitals. Such has been the price of the imperialist war policy.

At the same time science and scientific research, whose accelerating modern development could unlock the gates to plenty, is manacled and blinkered and frustrated in order to be turned overwhelmingly, behind a heavy "security" curtain, to purposes of destruction and the invention of new horrors for human extermination. Eighty-four per cent. of Government expenditure on scientific research in 1949-50 was directed to military purposes (£84.9 million for military departments, as against £16.9 million for civil departments). Of the £30 million spent on research by private firms in the same year, no less than half was spent by five of the biggest trusts associated with war industry, one in chemical and four in the aeroplane-automobile industries. The use of

increasingly large-scale scientific appropriations and costly laboratory equipment in Britain, Canada and the United States for the purpose of developing weapons of "biological warfare," i.e. means of mass poisoning and infecting of human beings and food to spread plague and disease, is the final demonstration of the perversion of science by imperialism.

No wonder more and more of the most prominent and distinguished scientists, to their honour—and often, it must be added, at their own personal risk, and with consequent deprivation of their facilities for work—are protesting against these conditions. No wonder more and more scientists and technical experts, who know directly the gigantic possibilities of construction which are within reach and are being thrown away, begin to look, irrespective of political viewpoint, with undisguised envy at the limitless constructive advances during these same years since the war achieved and under way in the Soviet Union, on a scale never before known in history. The proudest achievements of modern capitalist construction—the loudly publicised Tennessee Valley Development, the Panama Canal, the Suez Canal or the Sukkur Barrage—turn into pigmy size compared to these new Soviet projects. The Kuibyshev dam involves more than twice the earthwork of the Suez Canal, and that at Stalingrad, more than three times the earthwork of the Panama Canal. The building of seven new power stations, two the largest in the world, with a new output of electric power equal to more than two-fifths of the total electric power generated in Britain in 1950; the irrigation of an area equivalent to the combined area of Britain, Belgium, Holland, Denmark and Switzerland, or one-third of the existing world irrigated area; the production of food for an additional 100 million human beings, with a new wheat crop equivalent to the output of the entire wheat belt of Canada, a crop of sugar beet exceeding the total output of the United Kingdom, or a cotton crop exceeding the combined crop of Egypt and Pakistan; the afforestation of 13 million acres to transform the climate of an area larger than the whole of Western Europe; these are only elements in an integrated development which, in the words of Dr. S. M. Manton, Reader in Zoology in the University of London, in an article in *Nature* on May 3, 1952, "dwarfs anything hitherto undertaken by mankind." All this vast construction is accompanied, not with restriction of consumption, but with a rapid all-round expansion of consumption levels and continuous lowering of prices.

Not without reason Stalin stated in his reply to Premier Attlee in February, 1951:

> "No state, the Soviet state included, can develop to the utmost civilian industry, launch great construction projects such as the hydro-electric stations on the Volga, the Dnieper and the

> Amu-Darya requiring budget expenditures of tens of thousands of millions, continue a policy of systematic reduction of prices of consumer goods, likewise requiring budget expenditures of tens of thousands of millions, invest hundreds of thousands of millions in the restoration of the national economy destroyed by the German occupationists, and, together with this, simultaneously increase its armed forces and expand war industry. It is not difficult to understand that such a reckless policy would lead to the bankruptcy of the state. Premier Attlee should know from his own experience, as well as from the experience of the United States, that an increase of the armed forces of a country and an armaments drive lead to expansion of the war industry, to curtailment of civilian industry, to suspension of big civilian construction projects, to an increase in taxes, to a rise in the prices of consumer goods."

British citizens have reason to know the truth of this from bitter experience.

Is a comparable development impossible in Britain and in the countries of the British Empire? On the contrary. All the resources and material possibilities exist, provided they are used. But their fulfilment requires a radical change in policy from the existing imperialist basis and concentration of resources on destruction and war. Their fulfilment requires that the peoples gain control of their countries from the hands of the monopolists.

All the technical and scientific possibilities exist in Britain for an enormous new development, which would leave the present economic difficulties and shortages a nightmare of the past. Many plans and blueprints have been drawn up by technicians and scientists and endless government committees for new construction which would be immediately practicable and enormously productive. But all the plans and blueprints remain on paper; they lie mouldering on the shelf, pigeonholed, abandoned. There are "no resources." The resources are needed to devastate Malaya and garrison Africa, and to turn out infinite costly engines of destruction. Such is the wisdom of the present rulers of Britain.

Even the plans which have been so far drawn up, and which remain neglected, fall far short of the possibilities. The most ambitious paper plans which have even been discussed in Britain as desirable, but for the moment unattainable goals (Severn Barrage, etc.) are of pigmy proportions in comparison to the giant construction projects which are being at this moment triumphantly carried out in the Soviet Union on the road from socialism to communism. The real possibilities are still unexplored and await the change of social conditions. There has not even been attempted yet a full geological survey of Britain's resources. Such is the indifference of monopoly capitalist Britain to the tasks of develop-

ment. Once a People's Britain is established, limitless new possibilities will come into view and be realised, which will change the face of Britain; harness new sources of power; transform agriculture; carry forward industry to a new level; and turn the smoke-begrimed dingy towns into the gracious cities of the future, homes of healthy and happy living. All this may seem music of the future. But it can soon become the reality of the present, once the British people act to change the present conditions.

It is not physical or technical obstacles that bar the way to the reconstruction of Britain. The decisive problem is political.

Britain can only be saved by the action of the British people. A decisive change in the political situation is essential, equally in the policies pursued, and also in the character of the government from the type of imperialist governments which have ruled Britain in the latest phase, whether under a Conservative or a "Labour" label. Such a political change means in fact a change from the rule of the monopolists, whose interests are the interests of imperialism, to the rule of the producers, of the working people, on whose efforts Britain's existence and future depends.

The advanced capitalist development in Britain has brought about a social situation in which the divorce of the mass of the people from the means of production is more complete than in any other country. In contrast to other capitalist countries, the working class of Britain in industry and agriculture constitutes the immense majority of the population, representing with their families some two-thirds of the population. Together with the great bulk of the clerical and professional workers, the teachers, technicians and scientists, the working farmers, shopkeepers and small business-men (whose interests are in fact equally threatened by the big landowning, industrial and financial capitalists), they constitute the overwhelming majority of the nation, as against the narrow circle of the ruling monopolists and their hangers on. Once they can achieve effective unity of action for their common interests they can assuredly take Britain out of the hands of the monopolists and build a new and prosperous future.

For the fulfilment of this aim the first political essential is a decisive change in the policies and leadership of the organised labour movement, the replacement of the existing imperialist policies and dominant imperialist leadership, and the advance to a united labour movement, including the Communist Party, on the basis of a positive and progressive programme. Such a united labour movement would be able to rally the overwhelming majority of the nation, not only to defeat Tory reaction, but to return a Parliament truly representative of the people, and a government of the people which would be capable of overcoming the resistance of the monopolists and carrying through a programme corresponding to Britain's urgent needs, and opening the develop-

ment along the path to socialism. In this way the existing very limited and incomplete measure of democracy, which is in reality the cover for the effective rule of the financial oligarchy, would be changed—not without political struggle, but by the strength of the united movement of the people, led by the working class—into a real democracy of the people. In this way capitalist Britain would move forward along the path to socialist Britain.

Such a path of development has been outlined in the programme, *The British Road to Socialism*, issued by the Communist Party in 1951 and adopted at its Congress in 1952.

Whatever the immediate dangers and ordeals still to be faced as a result of existing policies, and whatever the struggles and conflicts which may arise in the process of transition because of the resistance of the old order, it can be said with confidence that this is the bright and happy future which awaits Britain once freed from the chains of imperialist domination and exploitation.

CHAPTER XVII

THE FUTURE OF BRITAIN AND THE BRITISH EMPIRE

> "All relations between the peoples of the present Empire which are based on political, economic and military enslavement must be ended, and replaced by relations based on full national independence and equal rights. This requires the withdrawal of all armed forces from the colonial and dependent territories and handing over of sovereignty to Governments freely chosen by the peoples.
>
> "Only by this means can Britain be assured of the normal supplies of the vital food and raw materials necessary for her economic life, obtaining them in equal exchange for the products of British industry, needed by those countries for their own economic development.
>
> "This would provide the basis for a new, close, voluntary and fraternal association of the British people and the liberated peoples of the present Empire to promote mutually beneficial economic exchange and co-operation, and to defend in common their freedom against American imperialist aggression."
>
> *The British Road to Socialism*, adopted by the Twenty-Second Congress of the Communist Party in April, 1952.

ON the occasion of the death of King George VI, Winston Churchill as Premier delivered a commemorative tribute in Parliament in which he described the twentieth century as "the terrible twentieth century." "Half of it is over," he said, and the most he felt that he could claim was that "we have survived its powerful convulsions." In sweeping strokes he painted the picture of misfortunes from the first world war:

> "Only four years after the death of Edward VII we were plunged into war by forces utterly beyond our control. King George V succeeded to a grim inheritance.... Victory was gained, but the attempt to erect in the League of Nations a world

instrument which would prevent another hideous conflict failed....

"The greatest shocks fell on our island in the reign of King George VI.... War came, and never in our long history were we exposed to greater perils....

"Alas, we found ourselves in great straits after the exertions which we had made, and then there came, in the midst of the ordeals of the aftermath, of the problems which lay about us, a new menace. The surmounting of one form of mortal peril seemed soon only to be succeeded by the shadow of another....

"His was the hardest reign of modern times."

Such is the gloomy picture of the twentieth century as seen by a foremost representative of the old order—a picture of the century in which the age-old tyrannies of Tsarism and Kaiserism have been overthrown and the assault of Axis fascism smashed, in which one-third of the human race have broken their bonds and thrown out their exploiters, and in which the miracles of socialist construction have banished poverty and raised economic levels at a rate never before paralleled, and spread education and social and cultural new achievement, where before was darkness, among hundreds and hundreds of millions of human beings. The ordeals and violence and barbarism of successive world wars have sprung entirely from the old dying order which Mr. Churchill represents—the old order which produced as its characteristic final fruits fascism and the atom bomb.

The same sombre pessimism permeates the utterance of all the representatives of the old social order in the modern period. Lord Keynes, the principal anti-Marxist oracle of the economic theories of declining capitalism, wrote his final testimony a few weeks before his death:

"No one can be certain of anything in this age of flux and change. Decaying standards of life at a time when our command over the production of material satisfaction is the greatest ever ....are sufficient to indicate an underlying contradiction in every department of our economy. No plans will work for certain in such an epoch. But, if they palpably fail, then of course we and every one else will try something different."

(LORD KEYNES, "The Balance of Payments of the United States," *Economic Journal*, June, 1946.)

It is assuredly time to "try something else"; but Keynes, with his incapacity to understand, or even attempt to study, the teachings of Marx and Lenin, was unable to provide the answer.

Nor is this gloomy outlook confined to the liberal-conservative representatives of the old order. It has become equally fashionable in the latest utterances of Labour Reformism or of the "advanced"

(in reality, backward) intelligentsia attached to reformism, who now deride the conception of progress as an "exploded illusion" of the eighteenth century Enlightenment or of "Victorian rationalism" (i.e. of the still rising, confident and forward-looking bourgeoisie). Thus in the *New Fabian Essays,* published in 1952, the editor, the Labour M.P., R. H. S. Crossman, writes:

> "The evolutionary and the revolutionary philosophy of progress have been proved false.... Judging by the facts, there is far more to be said for the Christian doctrine of original sin than for Rousseau's phantasy of the noble savage or Marx's vision of the classless society."

The smug anti-Marxist cocksureness of the original *Fabian Essays* has vanished with the decline of their imperialist basis. The new Fabian "theorists" take their final refuge in clerical obscurantism and the conservative doctrine of the innate and ineradicable evil of human nature.[1]

This characteristic pessimism of the current orthodox outlook in the Western imperialist world is not the expression, as its spokesmen like to imagine, of a deeper understanding of life and society as a result of the impact of the storms and stresses of our time. It is only the expression of the deepening decline, of the consciousness of inextricable dilemmas and impending downfall, of the imperialist social order of which these spokesmen are the theoretical and political representatives. Therefore the unquestioning confidence of a Gladstone or a Joseph Chamberlain gives place to the gloom of a Churchill. The jaunty shallowness of the old *Fabian Essays* gives place to the bewildered impotence of the new. The old facile assumptions have been smashed by the harsh impact of the crisis. But for these representatives of a dying order the old blindness has not given place to light. It has only given place to deeper darkness, because the character of the crisis is not understood, and the original imperialist assumptions still persist.

1. *Death of an Era*

On the centenary of the Great Exhibition of 1851—that landmark of the apogee of British capitalism and its world ascendancy in

1 Similarly, the anti-Marxist and anti-Soviet Fabian H. G. Wells finished in despairing pessimism with his final work, **Man at the End of his Tether,** published in 1945 as the "conclusive end" (his own words) of all his writings. Optimism only remained with those original founders of Fabianism, the Webbs and Shaw, who, to their honour, were able to move away from their original assumptions and respond to the new world opening with the Russian Revolution and to "Soviet Communism, a New Civilisation," and who in their final utterance (Beatrice Webb's **Our Partnership,** published in 1948) publicly repudiated their former rejection of Marxism as "hopelessly wrong" and announced "our conversion to the Marxian theory of the historical development of profit-making capitalism." But the latter-day Fabians are incapable of even learning from their founders.

the mid-nineteenth century—the pigmy successors of 1951 endeavoured to organise a commemorative centenary exhibition and "Festival of Britain." But the contrast between the two only served to symbolise the descent.

The Great Exhibition of 1851 was an *international* exhibition. It was openly organised to promote the cause of peace and friendship between nations. It was designed to demonstrate the parallel achievements of science and technique, of the skill of the craftsman and the inspiration of artistic endeavour, of all nations, and to eliminate, in the closing words of Prince Albert, national "prejudices and jealousies." Prince Albert's closing speech elaborated—in terms which to-day would bring him under the sharp attention of the Committee for Un-Atlantic Activities—the theory of the peaceful co-existence of nations, irrespective of differences of social and economic systems, on a basis of mutual economic interchange and friendly rivalry in constructive achievement. His final words declared:

> "I cannot refrain from remarking with heartfelt pleasure the singular harmony which has prevailed amongst the eminent men representing so many national interests—a harmony which cannot end with the event which produced it....
>
> "Let us all earnestly pray that that Divine Providence which has so benignantly watched over and shielded this illustration of Nature's productions, conceived by human intellect and fashioned by human skill, may still protect us, and may grant that this interchange of knowledge, resulting from the meeting of enlightened people in friendly rivalry, may be dispersed far and wide over distant lands; and thus, by showing our mutual dependence upon each other, be a happy means of promoting unity among nations, and peace and good-will among the various races of mankind."

In 1951 the rulers of Britain no longer dared even to attempt to organise an international exhibition. Britain could no longer bask in the comfortable assurance of primacy to invite free and open competition from all nations in friendly rivalry. The stern edicts of the American-imposed policy of the "cold war" and the trade ban held Britain in a straitjacket. An international exhibition would have inevitably meant inviting the Soviet Union, People's China, the People's Democracies; and the same outcome might have followed as in the Bombay International Industrial Fair in the same year, when the surging crowds, exceeding all calculations of the organisers, massed before all to the Soviet Pavilion, the Chinese Pavilion, the Hungarian and Czech Pavilions, to gaze with hungry eyes on the exhibits of the new world of the free peoples, from which the Indian authorities, by permitting the exhibition, had for one brief moment lifted their curtain. On the

other hand, to have confined the exhibition to the Atlantic War Pact countries would have invited too open and bitter a contrast with 1851. So the organisers were compelled to take refuge in a parochial exhibition of smug national self-approval, with the level of artistic inspiration symbolised by the diversion of "human intellect and human skill", to turn out hideous, meaningless and purposeless monstrosities like the "Skylon" ("so amusing, my dear, and so completely without any purpose at all—that is what makes it so charming"), which could afterwards only be sold for scrap.

What of the outlook of the new patrons and dole-givers and overlords of Britain on the prospects of their client state? Listen to Mr. William Batt, Head of the United States Mutual Security Administration Mission in Britain, reporting on March 26, 1952, to the United States Senate on the state of his dependency, like a Roman proconsul reporting to the Roman Senate on his province. In view of the growing intensity of international competition, Mr. Batt stated: "What will happen to Great Britain I hate to say."

> "Senator Hickenlooper asked Mr. Batt whether he thought England would ever become a self-sustaining nation and live in the manner she would like to become accustomed to. Mr. Batt replied that there was no simple answer to such a question."
>
> (*Times*, May 5, 1952.)

What of the outlook of the present rulers in office by the grace of the American overlord? On June 11, 1952, Mr. Churchill returned to the theme of doom of his previous "terrible twentieth century" speech. Speaking on the economic situation, he declared that "it is an alert that I am sounding, but it is more than an alert—it is an alarm," and he compared Britain's position to the days of the blitz. All the superficial show of a prosperous existence, he warned, stands "on a treacherous trap-door":

> "In all history there has never been a community so large, so complex, poised at such a dizzy eminence and on so precarious a foundation... the traditions and triumphs of a thousand years challenged by the ebb and flow of markets and commercial transactions in the vast swaying world which has sprung up... all that we have achieved and all that we possess and all our glories might quite rapidly become nothing."

What of the outlook of the non-political representatives of that same ruling class which once lorded the world? Listen to the Headmaster of Harrow addressing the young scions of the ruling class on the annual speech day in June, 1952:

> "Dr. R. W. Moore, headmaster of Harrow School, said at the School Speech Day yesterday that he wanted Harrovians to

> hate with a consuming hatred that 'most devilish and insidious and fashionable of attitudes, "I couldn't care less."'"

It is, of course, in all ages and periods the traditional privilege of bishops and headmasters to utter platitudinous nonsense. But the the character of the nonsense may vary and offer a clue to the spirit of the age. In the days of Dr. Arnold a headmaster might exhort his young charges to be god-fearing, upright and industrious, and to avoid the lures of sin, the pride of the heart and the lusts of the flesh. To-day it has become necessary to exhort the sons of the bourgeoisie that they ought as a moral duty to "care" about something, to have some human interest in life—in other words, to be alive and not to be dead. Such is the flaming call to the youth of the present ruling class.

Before the Royal Commission on the Taxation of Profits and Income Mr. H. Nutcombe Hume, Chairman of the Charterhouse group of companies, and one of the original Directors of the Colonial Development Corporation gave evidence on November 23, 1951. He explained that a tax on capital profits "would remove practically the last spark of incentive for maintaining the prosperity of this country." The following dialogue then ensued:

> *Chairman*: You say it would remove the last spark of incentive—incentive to what?
>
> *Mr. Hume*: Get on and make a profit and employ people happily and well, export your goods, develop the Colonial Empire, do all those things which have enabled us to sit round this room to-day in comfort, wear a white collar and have a decent lunch, that is what I am saying, Sir.

Mr. Hume has described the traditional conception of his class not inaccurately. "Developing the Colonial Empire" (the conventional euphemism for colonial exploitation, since there has been a notorious lack of real development) has indeed been the traditional basis of the "white collar" and the "decent lunch" in Britain. And Mr. Hume sees the prospect of this basis crumbling. That is the reality of Mr. Churchill's "treacherous trap-door."

So much for the outlook of the rulers. What of the outlook of the ruled?

In 1948 a Gallup poll was taken in Britain and other countries to answer the question: *"If you were free to do so, would you like to go and settle in another country?"*

The answers recorded are instructive. The proportion answering "Yes" was as follows (percentage figures):

Britain	42	France	25
Holland	33	Denmark	24
Italy	29	Sweden . . .	13
Norway	28	Australia	5

Even more instructive is the division among the age groups in Britain (percentage figures):

21-29	years . . .	58
30-49	years . . .	47
50-65	years . . .	37

Over two-fifths of the adult population would prefer to leave Britain if they could. Even more serious, the majority of the youth of Britain, nearly three-fifths of those in their twenties, would prefer to leave Britain if they could. This is the highest proportion of any country in which the poll was taken. There could be no more damning indictment of existing conditions, or of the prospects which present-day Britain, on its present social and political basis, holds out for its young people.

And, to cap it all, Mr. Shinwell in a recent speech, in June, 1952, proposed the creation of a Ministry of Emigration to organise mass emigration as the supposed "solution" (shades of Ireland!) for the problems of British capitalist decay. "There was every reason to believe that, whatever was done, it would be difficult, if not impossible, to sustain a population as large as Britain's. We must be prepared for a large measure of emigration." We are back to Ramsay MacDonald's "superfluous scrap" as his description of a great part of the working people of Britain.[1]

When the rulers are no longer able to continue to rule in the old way; when the ruled are no longer willing to continue to be ruled in the old way: then the conditions are maturing for the revolutionary transformation of the existing society.

For a short time the politically unawakened sections of the people may express their loathing of existing conditions by the yearning to live in another country. But as they find that the conditions of capitalism offer no solution along these lines, so they will translate that desire, and are already in increasing numbers translating that desire to live in a different kind of country, into its only real and realisable form: to *transform Britain*—to transform Britain from the old notorious "paradise for the rich, purgatory of the middle class and hell for the poor", into a Britain of the working people, where the working people own the wealth and enjoy the fruits of their labours without exploiting other nations, into a free, prosperous and happy socialist Britain, whose conditions shall no longer give rise to the horrifying outcome that the majority of its young people long only to leave it.

1 In 1932 Ramsay MacDonald, as Prime Minister of Britain, spoke in Parliament of the prospect, even if trade should recover and prosperity return, of having to find "great bodies of men and women, perhaps even amounting to a couple of millions, to be, to all intents and purposes, in our society, superfluous scrap" (J. R. MacDonald in the House of Commons, November 22, 1932).

For a short time the first groping efforts to change Britain may have turned blindly to the Labour imperialists who promised "socialism" and a "classless society" in their platform speeches, only to reinforce and entrench in practice the old monopolist class society, impose new burdens and shortage on the masses of the people, and advance along the path of colonial wars and re-armament towards a third world war. But in the face of harsh experience the true character of that leadership is revealed; the battle against it rises within the labour movement. The masses of the people will find their way forward; they can no other; for their life depends on it.

It is not true that Britain is going down, as all the black prophets of gloom of the ruling class and its hangers on predict. It is only the old imperialist Britain that is going down. The new Britain of the people is coming to birth.

The Britain of Ascot luxury and beggary is assuredly going down.

> "The cost for a society lady on the top rung to appear at Ascot in becoming style, with the requisite new model frock for each day, and the accessories and other expenses, is estimated at £100 a day."
>
> (Press item, June, 1952.)

> "The most impressive sight at Royal Ascot is not the flauntings of wealth and fashion: it is the appalling army of beggars, blind, limbless and speechless, who turn the entrances into an Eastern bazaar. Organised begging is on an Oriental scale. I have seen nothing like the crowd of truculent cripples who actually blocked the entrance to the Royal Enclosure after the Gold Cup race. They waved caps and collecting boxes and even swore at non-givers who tried to run the gauntlet."
>
> (*Reynolds News*, June 22, 1952.)

The Britain of colonial wars, of Empire starvation and disease and 100 per cent. profits, of hired head-hunters and villages razed to the ground and rewards of £30,000 on the life of a patriot—all, in short, that is the basis equally of the Ascot luxury and the Ascot beggary—is no less assuredly going down.

But the new Britain of the people that is rising, that is pressing against the barriers of the existing dominant institutions, that is united with all the peoples of the Empire in the common struggle for freedom and for peace—this Britain is on the march and will assuredly conquer.

The old apologists of imperialism, whether Tory or reformist, still mumble and fumble and try to attribute the present troubles to the consequences of the war, to an unpredictable economic

tornado, to Russia, to Communism, to anything except its real cause in imperialism, and seek to suggest that with a little extra effort everything will come right again.

But the old normal conditions of imperialist England will never return. The blast of harsh experience is shattering all easy-going dreams, and is compelling the whole nation, including the labour movement in the first place, to face facts and think afresh. All the illusions of reformism, which were built on the assumption of imperialism, have received a merciless blow. The shallow, flashy, brittle formulas of Fabianism and Keynesism, of easy panaceas without inconvenience to anyone, are shrivelling up in the ordeal of the present crisis.

Britain can no longer maintain a parasitic existence on the basis of the world tribute of empire. Mr. Hume was right. The prospect of maintaining the system of exploiting the colonial empire, which was the basis of the "white collar" and the "decent lunch", is vanishing. Britain has to reach a basis of healthy productive existence, an equal among equals in the nations of the world. But this requires a change in the class basis in Britain. Power must pass from the hands of the financiers and monopolists, whose interests are bound up with the exploitation of the Empire, to the productive workers.

The petition in bankruptcy of the old imperialist order was filed by the British Prime Minister, Mr. Churchill, in Parliament on July 30, 1952, when he said:

> "Tragic indeed is the spectacle of the might, majesty, dominion and power of the once magnificent and still considerable British Empire having to worry and wonder how we can pay the monthly bills. I am tortured by this thought."

This was in truth the confession of bankruptcy of the old imperialist order.

2. *A Choice of Two Paths*

The choice before the British people to-day is in truth a choice between life and death. This is not a rhetorical phrase, but a very literal description of facts.

The present crisis through which Britain is passing is in fact common in varying degree and in varying forms to all the countries of the western imperialist world. But the contradictions are deepest, most obstinate and most intense in Britain, the classic oldest country of capitalism and imperialism.

Britain's economy in the hands of the present owning and ruling class is incapable of meeting the needs and demands of the people. The thirties are a grim memory for the people. But

by 1951 the total food consumption of the people, in terms of calories, had fallen below the level of 1938. The consumption of meat per head had fallen from 109.6 lb. to 76.3 lb. The consumption of sugar per head had fallen from 109.9 lb. to 89.9 lb. But the consumption of potatoes per head had risen from 176 lb. to 245 lb.—true symbolic dietary reflection of the transition to semi-colonial status. Even the phase of "full employment" (falsely claimed as a marvellous achievement of government policy, whereas the transition from the mass unemployment of the thirties in fact took place during the second world war, as a result of war, and was continued as a result of the high post-war demand and then of rearmament and new war demands, and was thus comparable to Hitler's "full employment") had begun to give place by 1952 to a new spectre of rising unemployment. By 1952 the Trades Union Congress General Council, in its memorandum on "Trade Unions and Rearmament," was holding out rearmament as a means to keep unemployment "at bay."

All the frivolous talk of "Socialist Britain" and of the "new Democratic Socialist model" during the past six years has been no more than the thin and flimsy veneer for the increasingly concentrated monopoly of the productive resources of the country in the hands of the big banks and trusts and combines closely integrated with the state, with steeply intensified exploitation of the workers and squeezing out and impoverishment of the middle sections.

This ossified and decadent finance-capitalist economy is by its own admission—as has been demonstrated in more detail in the last chapter—incapable of carrying out the major tasks of construction and development which are universally recognised as indispensable, for which paper plans are scheduled and prepared, which are scientifically and technically completely possible, but which are continuously cut down and shelved under the present regime as impossible of achievement. In the face of food shortage it is incapable even of full cultivation of the land of Britain. In the face of desperate need for higher scientific and technical training it cuts down education. It cannot even provide the necessary electric power for production, and falls back on power-cuts. Steel production in 1951 went down, while it was rising over all the rest of the world. Yet the immediately essential and neglected tasks of construction and development are infinitesimal in comparison with the gigantic new achievements in this sphere which have been and are being accomplished in the Soviet Union and People's Democracies, the facts of which have been systematically kept hidden by the mass-circulation press from the knowledge of the British people.

This regime of the oldest, mortally diseased and dying finance-capitalist monopoly, which is so sedulously fostered and plastered over with a thick coat of propaganda cosmetics by the alliance of the

big business oligarchy and right-wing labour bosses to give it a new face, is proving incapable of survival in modern world economy and world politics. It is weakening in its unequal combat before the advancing challenge of the relatively newer American monopoly capitalism and its West German and Japanese satellites. The ancient reserves of imperialist fat from past conquests and overseas capital accumulation on which it has been subsisting, together with dearly bought American subsidies, are proving inadequate and begin to approach exhaustion, as the chronic deficit on the balance of payments and the dwindling of the gold and dollar reserves have indicated.

The hold on the old empire possessions, despite all the alternation of manoeuvres and repression, falters. The Anglo-Iranian octopus has had to clear out of Iran, however tenaciously it may still strive for reinstatement. The colonial and semi-colonial peoples, from Malaya and India to Iran and Egypt and Africa and the West Indies, are on the march. They have assuredly no intention to "keep the British lion as a pet"; and even the American financiers begin to grudge the cost of keeping it as a mercenary.

In the desperate endeavour to maintain the old basis all the resources of this sick and impoverished regime are strained to turn out colossal mutiplied armaments, maintain armies and garrisons all over the world, and conduct savage and costly colonial wars. For the sake of rearmament and war, Britain is mortgaged to the American financiers, who in return impose crippling restrictions on Britain's trade to maintain the dollar dependence and ceaselessly raise the figure of rearmament demanded.

The outcome only strikes new blows at the already weakened economy, and accelerates the madman's career along the road to ruin. However thinly the dwindling butter ration is spread in the shape of diminishing "welfare social services" to make the poor pay for the poor (for the social service benefits are entirely paid for by the increased taxation of the lower incomes), the inescapable truth is ever more relentlessly demonstrated that this bankrupt regime of increasing misery and war, whether under a Tory Government or a Right-wing Labour Government, is progressively less capable of maintaining living standards or providing any hope of the future for the people. Until then the thumbscrew and the stake of progressive deterioration, of new burdens and privations, of Austerity Cripps and Super-Austerity Butler, continue and will continue the historic task to grind to powder the conservative illusions of a dead past.

The choice between two paths has opened out before the labour movement and the people of this country—the path of life and the path of death.

The path of death—that means, to go down with the sinking ship of the old imperialist order. To bleed the people white for

more and more arms and more and more troops in order to quell the revolt of the peoples all over the world. To line up as an obedient satellite in the armed camp of the new masters of world capitalism, alongside everything that is stinking and rotten from end to end of the world, the dying feudal lords and princes and despots, from the Syngman Rhees and the Marshal Pibuls to the Greek butchers and Neo-Nazism, against every advance of Socialism and liberation everywhere in the world. To hand over the country tied and bound to the warlords of the New Axis as a military base marked "for destruction." That is one path—the path of death, of suicide, of the final outcome of the betrayal of socialism.

The other path is the path of life. The path of life—that means, to break free. To end the wars of aggression and invasion of other people's countries and bring the troops home. To repudiate the shameful war alliance for a third world war and return to the basis of the United Nations. To liberate the country from subjection to the citadel of world capitalism, and resume full independence of determining policy and shaping trade in accordance with the country's needs. To join with the other peoples of the world in the struggle for peace and freedom, for the reduction of armaments and for international economic co-operation. And thereby, in association with such a radical change of policy in international relations, to open the way for decisive social and economic change at home, for using Britain's productive resources to meet the urgent needs of the people, for the conquest of the menacing crisis and catastrophe.

This is the path of life, of the future, towards which all that is healthy and advancing in the working-class movement, among the youth, among the widest sections of the people, is striving. This is the true path of Britain's future.

But Britain can only advance along this path if the present domination of the finance-capitalist oligarchy, which is the representative of imperialism, and of its direct servants in the leading ranks of the labour movement, is replaced by the leadership of the working class uniting a broad alliance of all sections of the nation.

Only the organised working class has the decisive strength, the numbers, the experience of collective action, and the key role in production, to be capable, once it has achieved its own clearness of programme and leadership and effective unity, to rally and lead the united nation against the monopolists and their hangers on, in order to break with the past and enter on the new path of Britain's future.

To rise to the height of this responsibility, the working class movement will need to break the fetters inherited from its own past, and to end the stranglehold of imperialist policies and leadership which are the main prop of capitalist survival and the direct obstacle to the victory of socialism. It is necessary to correct the

narrow, blinkered picture of socialism traditional in the old propaganda of the labour movement, as set within the permanent framework of an unconscious imperialist assumption, and envisaging only a change in the distribution and ownership of wealth and income within Britain in place of the basic economic and political transformation of Britain on to a non-imperialist basis. It is necessary to see the struggle against British capitalism, not merely as the struggle of the British workers against the employers in Britain, but as the struggle of all the peoples of the Empire against British imperialism, against the ruling class which still dominates one quarter of the world, exploits equally the British workers and the colonial peoples, and is now more and more closely linked with the American imperialists.

Britain is no small isolated island in a corner of Europe, but the metropolis of this largest world empire, and therefore at the centre of this common battle of all the peoples of the Empire for freedom—a battle of such import for the future of the world. Here is the key to the victory of the working class and socialism in Britain. Failure to grasp this key is at the root of the weaknesses of the existing movement, of the inability so far to effect decisive social change in Britain, despite all the long history and abundant strength of numbers and organisation. The division of the British working class from the struggle of the colonial peoples—this, in Marx's words, is "the secret by which the capitalist class maintains its power." This is "the secret of the impotence of the English working class, despite their organisation."

Marx's words still remain true also of the present stage of the movement. But the scene is changing. The battle is moving forward against imperialist policy and leadership within the labour movement.

Only by the victory of this battle, only with the weapon of political understanding of this common struggle, with the weapon of Marxist-Leninist understanding, will the British working class advance to its final triumph. Only so will the British working class rise to the height of its historic mission, and fight in the forefront in unity with the struggle of all the peoples of the Empire against the common enemy, the British monopolists and the bloc of Anglo-American imperialism, for a common goal of freedom and prosperity for all the peoples of the present Empire.

3. *Future of the Empire*

What, then, is the outlook for the future of the peoples of the present Empire, and the future relations of the British people and the other peoples in the Empire, on the basis of such a common victory against the rulers of imperialism?

The concrete answer to such a question can only depend on

political development. But the principles governing such an answer are clear.

It is commonly stated by the opponents of Communism that the policy of Communism in relation to the Empire is "destructive" and "subversive," a plot to "smash the Empire" by "fomenting revolts," to "break up" any "fruitful wider association of nations linked by historic ties," to develop "political fragmentation" and "weak isolated units," and therefore reactionary, retrogressive and to be denounced.

These charges are false. This picture of Communist policy in relation to the Empire is a caricature.

Certainly, Communist policy is *destructive* in relation to every form of violent coercion of one nation by another or exploitation of one nation by another. Communist policy calls for the ending of "all relations based on political, economic and military enslavement," and concretely, in fulfilment of this, for the "withdrawal of all armed forces from the colonial and dependent territories," since these armed forces are the instrument of such subjugation of these colonial and dependent territories.

But Communist policy is completely *constructive* in relation to the interests and common problems of all the peoples of the present Empire, and the aim of future co-operation on the basis of national independence and equal rights. In this respect Communist policy alone presents a positive and constructive prospect in relation to the future of the peoples of the Empire.

Communist policy is *destructive* in respect of *imperialism.* It is *constructive* in respect of the needs and interests of the *peoples* of the Empire.

A quarter of a century ago the same false charges, delivered in a diplomatic note of the Baldwin Conservative Government to the Soviet Government, and accusing the Russian Communists of plotting to "destroy the British Empire," received a trenchant reply from Stalin, who showed that it is precisely British Conservative policy which is in fact destroying the Empire:

> "The English Conservatives assert that the Russian Communists are the people whose mission it is to destroy the might of the British Empire. I would like to say here that all this is utter nonsense...
>
> "But there is a force that can destroy and certainly will destroy the British Empire. That force is the English Conservatives. That is the force that will certainly, inevitably lead the British Empire to its doom. It is sufficient to recall the Conservatives' policy when they came into power. What did they begin with? They began by putting the curb on Egypt, by increasing the pressure on India, by intervening in China, and so forth.

> "Such was the policy of the Conservatives. Who is to blame, who is to be accused, if the English lords are incapable of pursuing any other policy? Is it difficult to understand that by proceeding on these lines the Conservatives must, as surely as twice two are four, lead the Empire to inevitable doom?"
>
> (J. V. STALIN, *Political Report to the Fourteenth Congress of the Communist Party of the Soviet Union,* December, 1925.)

A corresponding controversy took place in Britain a quarter of a century ago, when the Communist policy in relation to the Empire was denounced by the reformist imperialists as a policy of "smashing the Empire." This caricature was repeatedly rebutted and exposed by Communists in Britain.

> "...the supposed 'destructive' Communist policy of 'smashing the Empire.' This description of Communist policy is misleading. The Communist seeks to liberate the peoples in the Empire and to smash the capitalist domination over them, and for this reason supports their real, not formal, independence; but this leaves entirely open the possibility of the closest relations between the resulting free workers' communities, or between, say, Workers' Britain and Nationalist India, which is an entirely practical question dependent on the circumstances of the time, only this being certain in relation to the present question, that fruitful productive economic relations can only be built up, when the element of exploitation and domination has been entirely removed."
>
> (Notes of the Month, *Labour Monthly,* February, 1927.)

The constructive approach of Marxism-Leninism in relation to the problem of the future relations of peoples subjected to the yoke of a specific empire system, and the "possibility and expediency of a fraternal alliance" of such peoples, after liberation, in contrast to the bourgeois-nationalist approach of separatism, was defined by Stalin in a classic statement in 1925, drawing the lessons of the Bolshevik Revolution and the Soviet experience:

> "It was formerly the 'accepted idea' that the only method of liberating the oppressed nations was that of bourgeois nationalism, the method of separating nations from each other, the method of disuniting them, the method of accentuating national animosity between the toiling masses of the various nations.
>
> "This legend must now be regarded as disproved. One of the most important results of the October Revolution is that it has dealt this legend a mortal blow, by demonstrating in prac-

tice the possibility and expediency of the proletarian, international method, of liberating oppressed nations, as being the only correct method, by demonstrating in practice the possibility and expediency of a fraternal alliance between the workers and peasants of the most diverse nations based on the principles of *voluntary consent* and *internationalism*. The existence of the Union of Soviet Socialist Republics, which is the prototype of the future amalgamation of the toilers of all countries into a single world economic system, is but a direct proof of this."

(J. V. STALIN, *The Proletarian Method of Solving the National Problem*, 1927, reprinted in *Marxism and the National and Colonial Question*.)

These questions take on new and increased importance in the present world situation. Since the second world war a number of new factors have come to the forefront which require to be taken into consideration in discussing future development.

The most conspicuous new factor is the shift in the relations of power within imperialism. American imperialism has become the stronger, and overwhelmingly predominant in the whole world of imperialism. British imperialism has become the weaker or second imperialist power, though still in possession of the largest colonial empire and world system of naval bases but with increasing subordination to American imperialism, and with marked inferiority to American imperialism in economic, financial and military strength.

What are the consequences of this shift in the relations of power?

First, the struggle of the subject and dependent peoples of the British Empire for liberation has become a struggle, not only against British imperialism, but also against American imperialism. Previously, up to the second world war, so long as the American imperialists pursued a nominally "isolationist" policy (in fact, considerable world financial expansion), the struggle of the peoples of the British Empire for liberation was conducted against British imperialism, as the direct ruler and oppressor, in the same way as the struggle of the Filipino or Puerto Rican peoples was conducted against American imperialism. This situation is now radically changed. The colonial and dependent peoples of the British Empire have to reckon, not only with the weakening British imperialism which still holds them in its grip, but also with the advancing power and penetration of the stronger American imperialism. A formal "independence," established under pro-American sections of a reactionary upper class local leadership, could become the cover for a mere change of masters, a transfer of allegiance to the stronger imperialist camp, a new subjection to American imperialism. Hence the struggle for liberation has to be conducted against *both* British

and American imperialism, and against the bloc of British and American imperialists, in which the American imperialists represent in fact the stronger power.

Second, the British people have themselves been thrown by their rulers into a form of tutelary subjection or dependent status in relation to the superior power of American imperialism. Long ago Marx declared that "a people which enslaves another people forges its own chains." The truth of this is now being further demonstrated in a new and deepened form. To maintain their weakening hold on the subject peoples of the Empire, the British imperialist rulers have sacrificed the national independence of the British people. Hence the struggle for national independence of the British people has now come into the forefront of the political situation, and is directly united with the struggle for national liberation of all the peoples of the colonial and dependent empire, as well as with the parallel struggle of the peoples of the Dominions of Canada, Australia and New Zealand against subjection to American imperialism.

The third new factor is the character of the present drive to war conducted by the imperialist camp under the leadership of the American-British bloc, with American imperialism as the dominant power in the war camp. This drive to war is openly conducted against the countries of socialism and popular democracy, and against the colonial liberation movements. The main wars of this recent period have been conducted by the Atlantic Powers against the peoples of Eastern and South-east Asia. The most active military measures have been carried out to establish war bases in the Middle East and Africa in opposition to the struggle of the peoples of these countries for liberation and for peace. Simultaneously, American offensive military bases have been constructed on British soil. The manoeuvres to rebuild and rearm Nazi and Japanese militarism as the traditional instruments of aggression, conquest and national oppression in Europe and Asia respectively, are a direct menace equally to the British people and to all the peoples of the Empire. Hence the interests of all the peoples of the British Empire—of Britain, the White Dominions, the Asian Dominions and all the colonial and dependent territories—are closely united in the fight for peace against the war drive of the bloc of American and British imperialists.

The fourth new factor, closely linked with the above, is the character of the acute economic problems and strains affecting equally Britain and all the countries of the Empire as a result of the policies of rearmament and the drive to war and the tie-up with American imperialism. The economic preponderance of United States finance-capital, and the trade restrictions imposed by it, as well as the consequences of the rearmament programme and the drive to war, have led to increasing economic difficulties of all the

countries of the Empire. This has been most powerfully demonstrated in the recent period not only in the problems of the dollar deficit and the balance of payments, but in the violent swing and oscillations of the prices of raw materials, mainly reflecting the disorganising role of the preponderant American economic power in world capitalist economy, and exercising calamitous results, alike for Britain and for the primary producing countries. All the efforts of the existing governments of the countries of the Empire, as successive Empire Conferences have demonstrated, have proved incapable of evolving a common policy to meet these problems, in view of the sharp contradictions and conflicts of interests between them. These conditions emphasise the necessity for the peoples of the countries of the Empire to find their own path to develop on a non-imperialist basis new and more stable, mutually beneficial trading and economic relations, irrespective of American-imposed bans and forms of pressure, and capable of promoting their common development and co-operation in conditions of freedom.

The fifth new factor, and the most important of all, is the acceleration of the rate of political development among the peoples of all the countries of the Empire. There is an acceleration of the rate of disintegration of the power of British imperialism, at the same time as the power of American imperialism is still relatively advancing and pressing forward its penetration. The colonial and dependent peoples, in Asia, in the Middle East and in Africa, are sweeping forward towards their liberation, with increasing unity and determination. The British people are approaching an era of major social and political change. These conditions inevitably force forward with increasing urgency all the questions of the future relations of the British people and the peoples of the Empire, alike in the present conditions of the struggle for liberation, and in the new conditions as that struggle for liberation approaches and wins victory.

It is true that within Britain the rate of political development has so far been relatively slower, owing to the entrenchment of the forces of social conservatism, also within the dominant leadership of the labour movement, deriving from the imperialist inheritance. But even within Britain the pressure of the people for major social and political change is rising; and the intensity of the conditions of crisis, consequent on the more and more evident bankruptcy of the old empire basis, is accelerating this process. The growth of the struggle for the restoration of national independence from American domination, and for peace against the drive to war, as well as for the living standards of the people against the programme of re-armament and ruin, is inevitably giving rise to sharpening political development, both within the labour movement, and in the general balance of political relations. Further continuance of this development could create the conditions for the formation of a broad popular government, based on a united labour movement and an alliance

of all sections supporting a minimum programme of independence, democracy and peace, which would make a decisive break with the imperialist war policy and the system of domination of other nations, and initiate a new democratic anti-imperialist and progressive policy.

So long as Britain remains under imperialist governments, and Britain's policy is represented by imperialism, it is inevitable that the peoples of the Empire striving for national independence will define that goal in terms of the absolute severance of all special relations with such a Britain, that is, with British imperialism. Thus the Programme of the Communist Party of India, adopted in 1951, has set with complete clearness the aim of "withdrawal of India from the British Commonwealth of Nations and the British Empire," the "confiscation and nationalisation of all factories, banks, plantations, shipping and mining owned by the British in India," and the "removal of the British advisers in India from the posts held by them." Such an absolute break with British imperialism is the indispensable condition for the fulfilment of the real national independence of India, not in words, but in deeds.

But this demand is concerned with the liberation of India from British imperialism. It is not concerned with the question of the future relations of a People's India and a People's Britain.

If the struggle against imperialism is carried through to victory also within Britain, if a genuinely democratic and anti-imperialist People's Government comes to power in Britain, which renounces all domination of other peoples and recognises the national independence of all peoples under British rule, then at once the question of the future relations of such a People's Government in Britain with the liberated peoples of the existing Empire comes into the arena of practical politics as a question of vital importance, equally for the future of Britain, for the future of the other peoples in the existing Empire, and for the development of the whole world situation.

Thus, the conditions of the new world situation, and the new factors which have already developed or are in process of development, compel a new and responsible review of all the problems arising in the common struggle of the peoples of the British Empire for liberation and peace, and their future relations.

Such a review points to certain conclusions.

First, the need, the basis and the possibility is strengthened for the fullest co-operation of all the peoples of the Empire countries in the common struggle for national independence. Previously the struggle for national independence was the direct struggle only of a section of peoples of the Empire, of the immense majority, of the subject and dependent peoples; while the British people, and the people of the relatively independent Dominions of Canada, Australia and New Zealand, and the white workers in South Africa, had the responsibility to give active assistance to that struggle, and

to fight for the right of self-determination of the subject peoples, equally as a duty of democratic principle and international solidarity, and in their own vital interest. But now the further development of the imperialist system, and the subordination of British imperialism to American imperialism, has increasingly undermined the national independence also of these peoples. The struggle for national independence, however varying the particular form, has become a common struggle of all the peoples of the Empire, against the bloc of the American imperialists and the satellite governments in particular countries. The basis for co-operation is drawn closer.

Second, the necessity and the possibility for such co-operation does not come to an end with the victory of national independence. On the contrary, the ending of imperialist domination and establishment of national independence of all the peoples of the Empire opens the way for the first time to the possibility, and the necessity, of a fuller and strengthened co-operation, no longer only in the common struggle to throw off the existing shackles of subjection, but for further positive aims, to protect and maintain that independence, once won, against the penetration or assault of any other imperialism, and to promote mutual economic co-operation in the tasks of reconstruction.

A preliminary approach to a common examination of these new factors, and of the conclusions to be drawn, was made at the Conference of the Communist Parties of the British Empire, held in London in February, 1947, and attended by delegates of the Communist Parties of Australia, Britain, Burma, Canada (Labour-Progressive Party), Ceylon, Cyprus (A.K.E.L. or Progressive Party of the Working People), India, Ireland, Malaya, Palestine, South Africa, and Syria and Lebanon, as well as consultative delegates and observers from other Empire countries where there were no Communist Parties.

At this Conference, Harry Pollitt, General Secretary of the British Communist Party, said, in welcoming the delegates:

> "We are confident that the greatest future for our country lies before it, when in friendly association with the freed colonial peoples we are in close and indestructible economic, political and cultural relations with your free and independent nations; when the past and present with all its shame and common misery have been liquidated; when the fraternal exchange of our joint productions and raw materials has taken the place of the rule of terror and violence; when the fraternal technical assistance to help develop industry and agriculture has taken the place of the export of troops. Rest assured that the stronger we all fight for such aims, the less danger there is of national independence falling a victim to other imperialists."

The final Declaration of the Conference, unanimously adopted by the delegates of all the parties represented, stated:

> "We welcome the growing solidarity between the movements of the workers in Britain and the Dominions and the subject peoples of the Colonies... Our Conference in London has strengthened the bonds of fraternal solidarity of the Communist Parties within the countries of the Empire. The leading role in building the solidarity of the peoples of the Empire countries must be borne by the working class in Britain, the Dominions and the Colonial countries. Foremost in this task will be the Communist Parties with their socialist understanding and internationalist spirit."

In 1951 the Programme of the Communist Party, *The British Road to Socialism* (finally adopted, after a full twelve months' discussion, with revisions, at the Congress in 1952), set out in the section "National Independence of the British People and All Peoples of the British Empire," a long-term positive and constructive policy for the working class and democratic movement and for a People's Government in Britain in relation to the countries of the Empire.

This Programme placed in the forefront the aim of winning national independence of the British people and of all the peoples of the Empire.

In respect of Britain, this meant the ending of satellite subjection to American imperialism.

Within the British Isles, it was made clear, this would require the ending of the "enforced partition of Ireland" and of the "maintenance of British troops in Northern Ireland," so as to "enable Irish national unity to be realised," and the "full recognition of the national claims of the Scottish and Welsh peoples, to be settled in accordance with their wishes."

In respect of the colonial and dependent countries of the Empire the fulfilment of this aim would require, from the side of Britain, the "withdrawal of all armed forces from the colonial and dependent territories and handing over of sovereignty to Governments freely chosen by the peoples," so as to end "all relations based on political, economic and military enslavement" and replace them by "relations based on full national independence and equal rights."

The accomplishment of these measures, the Programme declared, would provide the basis for "a new, close, voluntary and fraternal association of the British people and the liberated peoples of the present Empire to promote mutually beneficial economic exchange and co-operation, and to defend in common their freedom against American imperialist aggression."

This perspective is of the greatest theoretical and practical importance.

It is essential at the outset to emphasise the necessary conditions of this perspective in order to prevent misconceptions.

First, the "fraternal association" envisaged can only be *voluntary*. There is no question of a ready-made blueprint or formal schematic system of relations to be imposed unilaterally by one partner irrespective of the wishes of the peoples concerned. On the contrary, it is made explicitly clear that any co-operation or association which may be found desirable and mutually beneficial after liberation must be and can only be "voluntary" on the basis of "full national independence and equal rights." Its prior condition is the "withdrawal of all armed forces" and ending of "all relations based on political, economic and military enslavement."

Second, the aim of such a "new, close, voluntary and fraternal association" replacing existing imperialist relations, is set out as the aim of a People's Democratic Government in Britain which makes a decisive break with imperialism, ends the domination of all subjected and dependent peoples, and on this basis seeks to promote new relations of mutual benefit with all the liberated peoples of the existing Empire. It has already been pointed out, as the Programme of the Communist Party of India indicates, that the liberation struggle of the colonial and dependent peoples in the Empire is necessarily directed towards complete separation from British imperialism. The perspective of new non-imperialist relations of mutual benefit can only be realised on the basis of decisive political changes in Britain. Thus, the fulfilment of this perspective depends on the actions of the peoples concerned, which can only be realised in concrete historical and political development.

Given these necessary conditions of fulfilment, there is no question that this programme of "a new, close voluntary and fraternal association of the British people and of the liberated peoples of the present Empire" is of the greatest importance in the present world situation.

This importance is twofold; both political and economic.

In the political sphere, such a close association is a vital need in order to prevent the domination of the liberated countries of the present British Empire, if remaining in isolation, by American imperialism. The menace of imperialist penetration and domination is not removed, even after complete liberation from British imperialism, so long as American imperialism remains in the field. American imperialism is already extremely active, at an increasing tempo, in penetrating, both economically and politically, and also strategically, all the existing territories and possessions of the British Empire. An isolationist "independence" of a single weaker unit of the existing countries of the British Empire could very rapidly, under certain conditions, turn into such a country becoming a victim of American imperialist expansion and passing into the sphere of the "New American Empire." Indeed, it would not be difficult to cite

examples (e.g. the replacement of the British colony of Palestine by the formally "independent sovereign state" of Israel, in fact closely tied to American finance-capital) where this process has already very considerably developed. And it is precisely the most reactionary classes and interests in such a country which would be likely to brandish most ostentatiously the slogan of absolute isolationist "independence" as requiring severance of all association with a People's Britain, in order to cover their real aim of transfer of their servility to American imperialism. The example of the Tito regime in Yugoslavia has provided a very powerful warning demonstration of how a completely lying slogan of "independence" can be used to cover the actual handing over of a country as a satellite colony to American imperialist masters.

The expansionist aims of American imperialism in relation to the British Empire are unconcealed. These aims grow daily more aggressive and emphatic, not only because of the weakness of the British Empire, and as a result of the economic, financial and military factors driving American imperialism to such expansion, but also because the political situation within the countries of the British Empire gives rise to openly expressed alarm of the American imperialists as they see the advance of the liberation struggle in the dependent countries and of the progressive movement and swing to the left of popular opinion within Britain.

Hence the alternative suggestion of absorption of the British Empire into the sphere of American imperialism, in the guise of "Federal Union", has begun to be openly proclaimed by influential voices among the American imperialists, as well as among their vassals in Britain, as the only means to counter and defeat the advance of the popular progressive movement in Britain and the countries of the British Empire.

Thus the *Washington Post* of December 21, 1951, carried an article by Stewart Alsop discussing the prospect "that simple economic pressures will sooner or later destroy the Conservative interest in Britain by forcing a sharp fall in living standards; and that Britain will then go very far to the left under a 'third force anti-American government'." As a political counter-move to this project the same journalist reported:

> "A number of responsible British and American officials are talking thoughtfully, tentatively, but seriously about some entirely new approach to the whole Anglo-American relationship. There was even talk about some sort of real political and economic union among Britain, the Commonwealth countries and the United States.... in order that British power, the indispensable asset of the United States.... should cease to be a wasting asset."

The practical usefulness of the British Empire as such an

"indispensable asset of the United States" was coolly, if crudely, described by the *New York Times* on January 9, 1952, in an editorial under the title "Do We Need Britain?":

> "The British Empire, for all its reduced power, has a valuable string of naval bases around the world—Gibraltar, Hong Kong, Malta, Suez, Aden, Singapore, to mention the most important. . . .
>
> "The colonies take one into the economic sphere—tin, rubber, uranium and other raw materials. . . .
>
> "We need Britain."

Similarly, from the side of British satellite circles, the old Munichite *Observer*, ever ready to bow the knee to new dictators, has conducted a vigorous campaign for "Atlantic Federal Union" to merge the British Empire in an "Atlantic Federation." Starting from the premise of the inevitable superiority of American power ("that America is the strongest Power, both among the Western Allies and among all the Powers on earth, is a fact which cannot be altered"), this organ of subservience to superior power admitted that this project would be likely to mean the disappearance of the "pilot experiment" of the British Empire into the "wider" horizons of the American Empire:

> "In the longer run, of course, the fact that British military and foreign policies were merged in Atlantic policies would be bound to affect our Commonwealth relations. But it is by no means certain that the effect would be adverse. It might be highly favourable.
>
> "The Commonwealth, as at present constituted, is a pilot experiment in co-operative relations between developed and under-developed countries. If it is successful it must be capable of wider application; and it might organically merge into a wider Commonwealth of the Atlantic Union with all the under-developed countries of Asia, Africa and South America."
>
> (*Observer*, December 16, 1951.)

Such is the programme of the most modern Conservative "patriots" of imperialism (or, rather, of super-imperialism) to hand over the British Empire on a plate to the American masters.

Against such a programme of extended and deepened subjection to imperialism it is essential that the British people and the peoples of the Empire countries should co-operate equally to win their freedom and to protect in common the freedom they have won and help to build up its strength by their mutual assistance. Isolation would in these circumstances play into the hands of the manoeuvres of penetration by American imperialism; the unity of voluntary co-operation would assist to maintain the freedom won. In the current

world political situation the real choice is between the "voluntary fraternal association" of the liberated peoples of the Empire or absorption into an American "Super-Empire" under the guise of "Atlantic Union." Such co-operation and mutual help of the liberated peoples of Empire is in no sense an alternative to the development of the closest relations with the already existing socialist countries and people's democracies which have thrown off the yoke of imperialism, but the counterpart and accompaniment of such relations. The replacement of the present Empire by such a voluntary fraternal association of free peoples extending over a great part of the world would represent an enormous strengthening of the world democratic camp.

In the economic sphere the need of such co-operation is no less evident. Indeed, the fullest economic co-operation of the liberated countries of the Empire is the essential foundation for the aim already defined of mutual assistance in the maintenance of freedom against the penetration of American imperialism; since the expansionist offensive of American imperialism most commonly takes in the first place the form of economic and financial penetration, pressure, blackmail and eventual domination.

The present economic relations of Britain and the other countries of the Empire are antagonistic relations based on exploitation. Between Britain and the older "White" Dominions with full capitalist development—Canada, Australia, New Zealand and (with certain special factors) South Africa—the antagonisms arise from the rivalry of capitalist interests, as in the clashes between British and Dominions industrialists over industrial development in the Dominions, or in the adverse trade effects of the recent import cuts between Britain and Australia arising from the stranglehold of the dollar deficit. Between Britain and the colonial or dependent countries the relations are relations of direct exploitation or extraction of colonial super-profit, and have the effect of draining away the wealth of those countries, retarding their economic development and holding down the standards of their peoples to the lowest levels.

The removal of the relations of antagonism and exploitation and their replacement by relations of economic co-operation for the fullest development of resources and interchange of products, on the basis of equal exchange, would make possible the most rapid advance of economic reconstruction and raising of standards, of enormous common benefit to all the countries concerned.

It is often said that Britain requires the exploitation of the Empire, and the income from overseas investment, as the indispensable basis for its own economic existence; and that therefore the "loss" of the Empire, i.e. the liberation of the colonial and dependent countries, would "ruin" Britain. An examination of the facts would show, as has been demonstrated at length earlier, that

the exact opposite is the case. Parasitism has injured Britain economically; and the removal of parasitism would facilitate the restoration of Britain's economic health. Even in the period of maximum imperialist "prosperity," before the development of the modern era of chronic crisis conditions, the increasing dependence on overseas tribute led to neglect of development of home industry and agriculture and relative technological stagnation. The consequent weakening of Britain's economic position paved the way for the modern conditions of chronic crisis. In the most recent period the increasing cost of overseas military expenditure, colonial wars and rearmament has in practice outweighed, even on the most hard-faced economic calculation, the illusory "advantages" of the tribute income. The disappearance of the tribute income—which is in any case sooner or later inevitable—would undoubtedly make necessary an economic readjustment. But the simultaneous reduction of the garrison and military expenditure would release resources for such economic readjustment; and the consequent compulsory full use of Britain's resources, and restoration of a healthy independent productive basis in Britain, would be the indispensable first step to end the conditions of chronic crisis and open the way to rapid economic revival and progress in Britain. At the same time the advance of reconstruction and living standards in the liberated colonial countries would have immediate beneficial effects for Britain's trade.

For the colonial and dependent countries the victory of liberation, and the ending of the imperialist drain on their wealth, distortion of their economy and artificial retarding of their economic development, would immediately open the way for the most far-reaching programme of reconstruction and economic progress, as has already been demonstrated in the former backward countries of the old Tsarist colonial empire, and as is being demonstrated to-day in new forms in People's China.

The possibilities of co-operation and mutual aid in these tasks of economic reconstruction, between Britain and the liberated countries of the present Empire, are limitless, once the shackles of imperialism are removed.

The peoples of the liberated colonial countries will require large-scale mechanical equipment for industrialisation and for the modernisation of agricultural technique, in order to end the old dependent colonial economy. Undoubtedly an important and growing volume of supplies will be available from the Soviet Union, People's China, Czechoslovakia, Poland and the other existing People's Democracies. But this will still leave abundant demand and need for the greatest possible volume of large-scale engineering, machinery and machine-tool requirements from additional sources. It is precisely the resources of British heavy industry that can play

an enormous role in assisting the industrialisation and mechanical equipment of the liberated colonial countries of the Empire.

At the same time the peoples of the liberated colonial countries, as they remove the fetters of obsolete land systems, feudal survivals and low technique which under imperialism keep their peasantry in poverty, will be able rapidly to develop their agricultural production and raise the standards of the peasantry.

Some demonstration of the vast possibilities in this sphere has already been accomplished by the experience of the first three years of People's China. It is instructive to contrast the picture of semi-colonial India under the Congress regime and of People's China. In India the Congress Government loudly proclaimed a "Grow More Food" campaign and announced a target of "food sufficiency and no imports" by 1952. But the satellite Government of big landlords and monopolists in India was incapable of tackling the agrarian crisis. In 1950 India imported 3.7 million tons of food grains. By 1951 the figure of imports rose to 4.3 million tons. By 1952, the target year of "self-sufficiency," imports were expected to rise still higher—according to the *Times of India,* to 5 million tons of grain; and famine conditions were spreading in certain areas. Similarly in Kuomintang China food imports continuously soared, and by 1947 had begun to break the back of Chinese economy with huge deficits in the trade balance, at the same time as famine conditions spread. People's China in 1949 inherited a land where the retreating Kuomintang armies had left fire, flood and scorched earth behind them. Yet even in 1949, with a limited harvest of 110 million tons, the new regime was able to end the chronic conditions of famine. The 1950 harvest brought 120 million tons; by 1951 this rose to 130 million; and the 1952 harvest is expected to reach a record level, with the aim set for 150 million tons. Or, to take a wider range of demonstration, in the Soviet Union the area under cultivation increased from 260 million acres in 1913 to 370 million acres in 1940; and by 1952 the grain crop was half as much again as in 1940.

And yet the sapient Fabian imperialist Dr. Rita Hinden, in her book, *Empire and After,* published in 1949, was capable of saying that "the main reason for the poverty of the colonies is that they lie in the tropics."

In proportion as the peoples of the liberated colonial countries raise their level of agricultural production, they will naturally wish to use this increased agricultural production, not only for the first essential of the direct supply of their own needs of food and raw materials, to raise the standard of living of their peoples, but also for export in order to import the goods they require from the countries of advanced industry, both to carry forward their own industrialisation, and to obtain a wider range of products of industry, corresponding to the rising standard of living. For this purpose they will desire to avoid the catastrophic fluctuation in the prices

of food and raw materials which has reached such violent and anarchic extremes in the recent period, especially as a result of the operations of American finance-capital and rearmament economy. They will require a steady market for their raw materials, to know what quantities are required, and at what prices, and also to know when the manufactured goods they have ordered—particularly the capital goods—will be ready, what type of technical specialists will be available, and so on. In this way there will be the basis—once the barriers of imperialist exploitation and unequal trade are removed, and People's Governments are established in Britain and the former colonial countries—for a wide measure of voluntary co-ordination of plans throughout the territory of what was formerly the British Empire.

Thus Britain, so far from being faced with "ruin" as a result of the liberation of the colonial and dependent peoples of the Empire, will have enormously more extended and favourable trading possibilities, and will be assured of the supplies of food and raw materials, in adequate volume and at stable prices, required by its present economic structure.

This does not mean that the *permanent* future picture of the economic trading relations between Britain and the liberated colonial countries will be one of the exchange of food and raw materials for industrial Britain in return for the products of British industry for the liberated colonies. Such a basis of exchange still reflects the survival of the inequality of development consequent on the colonial system—but a survival under new conditions of equal exchange, in place of exploitation, and serving to prepare the way for the next stage of full industrial development in the former colonial countries and a consequent more balanced basis of exchange. What is here described as the character of economic relations in the first stage after liberation would represent a necessary *transitional* stage from the present conditions, serving to facilitate the speediest industrialisation and all-round economic development of the previous colonial countries, in place of the previous distorted and one-sided colonial economy; while at the same time in Britain the improved utilisation of the land and agricultural technique will diminish the at present exaggerated dependence on imported food supplies. Thus this transitional stage will prepare the way for a more balanced pattern of economic relations.

Such is the future prospect of what can be achieved by the British people and the peoples of the present Empire, once the present imperialist relations are replaced by voluntary fraternal co-operation and association, on the basis of national independence and equal rights, to promote reconstruction and limitless social and economic progress. It can be said with confidence that such a path alone opens the way to the solution of the present problems of Britain's crisis, as well as the conditions of crisis and increasing

economic and political difficulties affecting also the Dominions and all the peoples within the Empire. In place of all the prophecies of gloom, of "treacherous trap-doors" and inevitable deterioration, such a path alone offers the positive alternative and certainty of a bright and a prosperous future.

But such a future can only be won, and such future co-operation can only be established, by the present action, unity and co-operation of the British people and all the peoples of the Empire in the present common struggle against imperialist domination and war, and for the aims of peace, national independence and social and economic liberation.

4. *Towards the Future*

Can this future be won?

The answer to this question lies in the living political struggle.

Certainly, if the British people were incapable of overcoming the heavy fetters and obstacles inherited from the past and now blocking the way to future progress, Britain would indeed be doomed. Under such conditions it could even be not beyond the bounds of possibility that the fears of the despairing might be realised, and the long history of Britain end in physical annihilation in an atomic war, with only a shattered remnant left for a painful new beginning.

But the British people have over many centuries shown their capacity for change and adaptation, for active political struggle, and even for the revolutionary overthrow of out-dated social and political forms in order to substitute new ones. The days may seem long past when Britain led the vanguard of the European nations along the path of revolution, before the United States and before France, and when the Russian Ambassador was withdrawn in horror from London as a protest against the revolutionary nation which could make its monarch mount the scaffold. The sons and daughters of the British Revolution are taught to forget their own past, and are sedulously instilled with the legend that the measure of democracy they have won, which was founded by violent revolution, and whose extension was wrested by extra-constitutional struggle, knows no other path of development save gradual imperceptible evolutionary change within a permanent framework of unchanging constitutional and state institutions. Over these three centuries since the Great Revolution the long era of capitalist class domination has followed, which crushed the incipient working class revolt of Chartism with merciless repression, and has since sought to train and adapt the rising working-class movement to its own forms and purposes. But that era is drawing to its close; its foundations are undermined; its bankruptcy is manifest in Britain's present crisis. The signals are sounding again for decisive social change.

We can be certain that the British people will once again demonstrate their capacity for such change, to respond to the new conditions and develop the necessary new economic, social and political forms; and the degree of peacefulness, or otherwise, of such change will depend on the degree of political organisation and unity of the people and the leadership of the working class. The stronger the political organisation and unity of the people and the leadership of the working class, the greater the possibility of peaceful change with a minimum of destructive conflict.

The real situation of the Britain that is dying and the new Britain that is striving to come to birth is reflected, still dimly, still only in a preliminary form and through a distorting mirror, in the present political situation. The thick crust of ancient forms, institutions, habits, prejudices and illusions, dating from the era of unchallenged imperialist supremacy and "prosperity," of ingrained social conservatism, whether acting directly through the Tory Party or enthroned in the citadels of the old labour movement, lies heavy as a choking suffocating overgrowth to ban and kill and strangle all that is new and living.

But social conservatism can never permanently bar the road to historical change, though its delaying action may increase the violence and destructiveness of the subsequent explosion. The Britain of Elizabeth, Churchill and Attlee can no more escape its destiny to be relegated to a museum piece than the old Austro-Hungarian Empire of the Habsburgs.

Because Britain is the oldest capitalist country, which long enjoyed unchallenged world supremacy and monopoly, the assumptions and institutions inherited from that monopoly linger on into a changed world, and social conservatism is still most deeply entrenched in Britain, and not least in the labour movement.

Corresponding to its capitalist environment, which led the world a century ago, and then fell behind in the imperialist era, the traditional labour movement in Britain was in the vanguard of the world labour movement a century ago, but then fell to the rear in the imperialist era, developing stage by stage a generation behind the rest of Europe. Obstinately and tenaciously its leadership resisted the ideas of socialism and the conception of a political labour movement during the last quarter of the nineteenth century, long after mass socialist parties had developed in the leading countries of Europe. All the political wiseacres of that era sagely laid down that socialism and a political labour movement might find a basis in the countries of Europe, but could never take root in the soil of Britain.

But the political labour movement came, and the aim of socialism received formal recognition. Is that the end of the story? Of course not. As obstinately and tenaciously the present leadership believe themselves to represent the final culmination and resist to

the death the necessary next stage of advance to Marxism-Leninism, to Communism, long after the majorities of the leading working-class parties of Europe have advanced to Communism.

The contemporary political wiseacres no less sagely declare that Communism may find its majority basis in the working class of the countries of Europe, but will never take root in Britain or win the majority of the working class in Britain. And their obedient echoes, the pigmy wiseacres of the late Labour Government, even strut about and boast that "they did it," that their earth-shaking achievements are the "cause" of the relatively small numbers of the Communist Party in Britain—by which brilliant reasoning the Baldwin Tory Government of the inter-war years could have equally claimed that it was the "cause" of the much smaller numbers of the Communist Party at that date, at a time when the majority of the French Socialist Party had already by formal congress decision voted its transformation to the French Communist Party, leaving only a rump to masquerade as the "French Socialist Party." History will as relentlessly destroy the naive and ignorant illusions of these pundits as it has already done those of their predecessors.

The present initial stage of development reached has found expression during the most recent period in the precarious political balance and virtual deadlock between the two major parties. Under the operation of the existing deliberately undemocratic electoral system—designed to exclude the representation of minority opinion, and thus to facilitate the smooth working of the finance-capitalist dictatorship—these two major parties have come to dominate and practically monopolise electoral and parliamentary representation to the exclusion of all third elements.

On the one side is the Tory Party, directly representing and run by the leaders of the financial oligarchy, but drawing in a vast satellite array of the middle and petty bourgeoisie and politically backward workers.

On the other side is the Labour Party, based for its main membership and finance on the economic mass organisations of the working class in the class struggle, but at present excluding the militant left workers, and led by an alliance of representatives from the petty bourgeoisie (a few bigger bourgeois elements) and the reformist labour bureaucracy, and drawing in support from progressive sections of the petty bourgeoisie.

Such is the character of the confrontation which, by the measure of parliamentary representation, during the past two elections of 1950 and 1951 has resulted in a relatively close parliamentary balance, and even over the whole period since the war has shown a considerable degree of approximation in the volume of the electoral vote. It should be noted that the heavy concentration of the Labour vote in the industrial working class areas has resulted, under the existing electoral system, in an appreciable under-representation

of Labour, in proportion to its electoral support, in Parliament, and is a more or less permanent factor to tilt the balance slightly in favour of Toryism.

It is obvious that this representation offers at the best a distorting mirror of class realities; since it appears to present the confrontation of finance-capital and the overwhelming working class and employed majority of the nation as a division of the nation into two roughly equal halves. But even through this distorting mirror the underlying character of class confrontation and latent class struggle to which the British parliamentary system has been brought is inescapable. Indeed, however much the attempt may be made in the realm of pure theory by the apologists of an imaginary classless political world to deny this class basis of existing political formations, its truth is in fact recognised in hard daily practice by all political observers and participants and electoral agents of all viewpoints, and is especially visible in the constituency electoral contests.

Only the practical collaboration and veiled coalition of the top leadership on both sides has so far been able to make this precarious balance for the moment workable to maintain the policies of imperialism and finance-capital. But this basis is inherently and ever more visibly unstable. Indeed, it is even possible that under certain conditions the increasing difficulties may lead to the transformation of the existing veiled coalition into open coalition on top; but such a development, which would be met with the most intense opposition from the main body of the labour movement, could present no stable solution, and would in the end only sharpen the real conflict below.

As the crisis deepens, as the blows of rearmament and economy cuts fall unsparingly on the workers and those with lower incomes, as the fear of the drive to war extends, so the pressure of popular discontent stirs and rumbles and increases equally against Toryism and against the reactionary leadership in the labour movement, with its policy of collaboration with Toryism. Universal national anger begins to find expression against the subservience of the existing dominant political leadership to American orders and to the American war maniacs.

Within the labour movement the right wing leadership has been compelled to have resort to a complex machinery of bans, exclusions, prohibited relationships, discipline and threats of discipline, with violent fulminations against the industrial action of the workers and cracking of the whip against dissident M.P's. All this has not availed to prevent the growth of the ferment, which has been increasingly marked in the recent period. The movement of mass opinion, which found preliminary expression in the Labour electoral victory of 1945 (contrary to the expectations of the top leadership

on both sides) is once again seeking its way forward. In the field of industry, and within the trade unions, the growth of militancy has been conspicuous, not only in the fight for wages and standards, and resistance to the attempts to impose a wage-freeze, but also in the extension of opposition to the rearmament programme and war policy and demands for an alternative policy for peace. At the same time new currents have affected wide sections of the Parlimentary Labour Party, making more difficult the smooth working of the bi-partisan policy, and giving rise to new alignments and public controversies also among the upper leadership, which are a partial symptom, however weak and misleading the reflection, of the developing battle below.

Despite all the distortion of representation above, despite all the blanketing and discipline, or threats of governmental repression, the pressure from below drives forward the development, and compels new questioning and new types of action. Through all these complex and manifold forms the challenge of the economic and political struggle of the popular masses for their living needs and for peace begins to break through the spurious harmony of class collaboration for the policies which are leading to catastrophe and war.

This development is still at an initial stage. Between the time that these lines are written (July, 1952), and when they appear, there is every ground for certainty that this political reflection of Britain's crisis, both in the whole field of political relations, and especially within the labour movement, will have reached sharper definition and brought further important changes. But there is no room for illusions. Victory of the advancing struggle of the British people against the stranglehold of American domination, Toryism and Right-wing leadership in the labour movement, and the transition to an alternative policy for peace and socialism, will require a stern political battle. It will require the unity of all progressive sections in the labour movement, of the leftward moving membership of the trade unions, co-operative organisations and Labour Party, together with the Communist Party, to transform the policy and leadership of the labour movement so as to carry forward a united labour movement leading the whole people in the fight for a new policy. It will require the rallying of the overwhelming majority of the nation in the common national struggle for independence and for peace. It will require the unity of this liberation struggle of the British people with the liberation struggles of all the colonial and dependent peoples of the Empire. Only so can victory be won, and the path open out to decisive social and political changes in Britain.

With sombre alarm, the most far-seeing representative of finance-capital, Churchill, detected the future menace to his order

revealed in the precarious equilibrium of the two major parties after the 1950 election:

> "We should not survive by splitting into two nations; yet that is the road we are travelling now, and there is no sign of our reaching or even approaching journey's end."

Journey's end? It is still only journey's beginning. The fond hopes of the reactionary Tadpoles and Tapers of both party machines to reproduce the majestic placid alternation of the old two-party system of Gladstone and Disraeli in the era of Victorian stability are doomed to frustration in the era of the deepening general crisis of capitalism.

The real political conflict to-day is no longer the amicable give-and-take of rival sections of the exploiting classes, united on the fundamental structure of society and against the exploited masses—however much the bantering concord and shadow-boxing of the right honourable gentlemen of the financial oligarchy and the right-wing reformist bureaucracy might appear to create the illusion of the restoration of an antique comedy.

The real political conflict to-day, whose pressure begins to burst through even the forms of the old traditional parliamentary procedures of deception that were designed to conceal it, and which can yet make parliament its arena and even transform it from being the instrument for recording the decisions of the ruling financial oligarchy into becoming the instrument of the people's will—this conflict is the deeper conflict of classes, of the working and producing majority of the nation, led by the organised working class, against the financial oligarchy which is dragging Britain down to ruin.

Between these there can be neither lasting truce nor peace, but only, through whatever ordeals of struggle or reactionary violence, the final victory of the rising class, the working class, leading the overwhelming majority of the nation, and the complete irrevocable extinction of the economic and political power of finance-capital—that is, the victory of People's Democracy.[1]

To many present-day observers this may still seem distant music of the future—whether welcome to those who seek decisive social and economic change, or horrifying to those of more conservative bent. People's Democracy is not yet the recognised aim of the majority of the labour movement in Britain, nor even the conscious aim of many sincere socialists who desire the replacement of capitalism by socialism. Yet in fact this objective is only the necessary long-term outcome of the aims of all those who seek

[1] A concrete presentation of the aims and methods of realisation of People's Democracy in Britain, within the given conditions and national and historical traditions of the British people, can be found in the programme already quoted, **The British Road to Socialism** (1952), which should be consulted.

the victory of a united labour movement, winning the majority of the nation in a common alliance for a durable parliamentary majority, and completely dispossessing the big bankers, industrial magnates and landlords, and thereby in practice extinguishing the basis for the existing Tory Party as the party of finance-capital.

What alternative can the right-wing pro-imperialist leadership offer? The only alternative they can offer is the final and public repudiation of the aim of socialism as understood by all the pioneers and founders of the labour movement. To this shameful outcome the more outspoken representatives of the present dominant right wing leadership in the labour movement have in fact reached. This in turn means in practice (whatever the phrases that may be used about an imaginary "middle course") the acceptance and open championship of the policies of capitalism and imperialism, with all the increasingly disastrous consequences which these are bringing. Such an "alternative" offers in fact no solution, but only a deepening of the crisis.

It is for this reason that the fight for the victory of the labour movement and for the aims of socialism, which alone holds out the prospect for a happier future for Britain, is inseparably bound up, not only with the defeat of Toryism, but also of the reactionary policies of co-operation with Toryism and repudiation of socialism. The advancing strength of the fight of the united mass movement for these aims will in practice develop and merge, by the compelling necessities of class politics and the extending political battle, into the fight for people's democracy, even though many of those who will eventually help to bring about that transformation may not yet consciously recognise that aim, because they have not yet learned it out of their own experience.

It would be idle and premature to attempt to lay down beforehand the precise concrete forms and stages of the next phase of political development in present-day Britain. Even in the period between the writing of these lines and their publication new factors could arise—a general election, a wider strike movement, a deepening of the crisis in the Labour Party, a shift in foreign policy, or the plunging of Britain in a major war—which could profoundly alter the immediate outlook. It is only the broad principles of development, the essential character of the choice of alternatives arising from the present situation, and the consequent longer-term perspective, which can be discerned and defined with some degree of confidence. But the specific line of development towards that larger outcome, towards the decisive changes which are necessary and in the end inevitable in Britain, will depend at every point upon the political struggle, upon the degree of unity and strength of organisation and political leadership of the working class and the broad democratic movement.

We are living in an era of great changes, which has seen the

fall of many empires and the victory of the people in many parts of the world. Britain is not immune from these changes. Britain is also part of the world.

Twenty years ago one of the present representatives of Labour Imperialism, who at that time was still seeking to face the facts frankly and to find in Marxism the solution to Britain's problems, wrote some words which have not lost their meaning to-day (John Strachey in *The Coming Struggle for Power,* published in 1932):

> "Britain is but an island in a sea which encompasses the whole world. No special providence reserves for her a peculiar destiny. On the contrary, her immense imperial possessions, scattered in every quarter of the globe, make it certain that her fate will be specially dependent upon that of the rest of the world. . . .
>
> "The truth is rather that Britain is quite peculiarly vulnerable to the reactions of events which may take place at the other side of the globe. Her whole economy is based to an unparalleled degree upon profits drawn from the exploitation of her Empire. Colonial revolts already menace essential parts of her system. The social reactions which are bound to follow the crash of the high-piled pyramid of her super-profits, may well be especially violent and sudden. If Communist theory and practice is the only possible policy for the working class of the world as a whole, then it is the only possible policy for the workers of Great Britain also."

The fact that the writer of those lines has since in his own practice retreated to endeavour vainly to bolster up the "high-piled pyramid," at the very moment when it has begun to crash—and even permitted himself to be photographed, a ludicrous figure, gun in hand, stalking as Secretary for War in the jungle in Malaya the patriots of the "colonial revolts" which he had previously described with such fervour—does not diminish the measure of truth in what he then in his earlier days, before he had tasted office, admitted. On the contrary, it only serves to demonstrate the vanity of theory divorced from practice.

The solution of Britain's problems can only be won by the united political struggle of the people themselves to overcome the obstacles and policies which are destroying Britain, and to win power into the hands of the working people. There is no other path. That is why any living survey of the problems of Britain and the Empire necessarily must lead in its final conclusion to the present political situation in Britain and what needs to be done.

The British people stand before great dangers and great opportunities. If their action should fail in the testing time that has now opened, no present imagination could paint in black enough terms the measure of the catastrophe that could overtake Britain

from present policies. But they have it in their power to avert such catastrophe. By their united exertions and action, by building up a mighty popular alliance, with the working class in the leadership, for the aims of peace, national independence and economic and social change, they can not only save themselves. They can also hasten the liberation of all the peoples of the Empire over one quarter of the world. They can turn the balance in favour of world peace and world socialism.

No fancy phrases, no make-believe "new policies," no evasions can escape the sharp alternatives before which the people of this country stand.

The basis of Britain as the tributary centre of a world empire is breaking down.

This breakdown is giving rise to sharp economic and political problems in Britain. It is making necessary decisive changes, both within Britain, and in the relations of Britain and the peoples of the Empire.

All the efforts of the existing rulers to maintain and restore the old basis—or to plaster it over with spurious "renovations" which in fact continue unchanged the essential relationship of exploitation—are only leading to sharper economic deterioration in Britain, to subjection to a foreign Power, and to the eventual menace of a hideously destructive war.

This situation calls imperatively for the political action of the British people, with the working class in the forefront, and with the co-operation of all who seek the true interests of their country, to end the policy of the present rulers, and to take over the responsibility of leadership in order to guide Britain along a new path—the path of peace; of national independence; the replacing of the relations of domination and exploitation between Britain and the subject peoples of the Empire by new relations of fraternal association and co-operation; and the rebuilding of Britain on a non-imperialist basis to use its resources in the interests of the common people.

Only such a path can offer a positive and constructive alternative to the present situation, and open the way forward to solve the problems of the crisis of Britain and the British Empire.

Only along such a path can the British people emerge from the present darkening shadows and dangers to take their place once more in the vanguard of the progressive nations of the world, united in fraternal association with the peoples of the present Empire, and marching forward to the common goal of the victory of world peace and co-operation and the building of a new society on the basis of human brotherhood.

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